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Mid-Continent Region  
Exploration/Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

February 8, 1999

Mr. David Catanch  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
PO Box 6429  
Santa Fe, NM 87505

RE: Daum LS #4  
Section 32, T-28-N, R-9-W, (B)  
API 30-045-07060  
San Juan, NM  
Aztec Pictured Cliffs (71280)  
Blanco Mesaverde (72319)

RECEIVED  
FEB 10 1999  
MIDLAND, TEXAS

Dear Sir,

Amoco received approval to downhole commingle this well DHC #1298 on July 17, 1996. On their C-107A Amoco asked that production be allocated by straight percentages. Conoco purchased this well in January, 1998. Conoco recently completed commingling this well and tested each zone independently February 5, 1999. The test results were as follows:

Mesaverde	339 MCFD	15 BO	5 BW
Pictured Cliffs	256 MCFD	0 BO	0 BW

Based on the above test Conoco would like to amend the original allocation percentages listed on the DHC Order # 1298 to the following:

Mesaverde	Gas	57%	Oil	100%
Pictured Cliffs	Gas	43%	Oil	0%

Conoco feels that the amended percentages based on an actual test accurately reflect how the Mesaverde and Pictured Cliffs production should be allocated. If you have any additional questions regarding this request please call me at (915) 686-5798.

Sincerely,

*Kay Maddox*  
Kay Maddox - Regulatory Agent