



Southern

Rockies

Business

Unit

May 20, 1996

Mr. Brian Davis
U. S. Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

Allocations for Downhole Commingling
Hughes B #2A Well
Federal Lease No SF-078046
Unit O Section 19-T29N-R8W
Blanco Mesaverde and Blanco Pictured Cliffs Pools
San Juan County, New Mexico

RECEIVED
MAY 24 1996
OIL CON. DIV.
DIST. 3

Reference is made to your letter dated November 28, 1995 in which you requested that we supply allocations to you following commingling of this well. In addition, you requested that we confirm whether condensate was being produced from the Mesaverde formation as your records indicated a difference from what we had stated. We propose using the Pictured Cliffs as the baseline production on this well using the subtraction method to determine Mesaverde production. We have attached a production curve for the Pictured Cliffs for the past year and the future expected production from the Pictured Cliffs formation by month to be used as the base gas production. We confirmed that all condensate production was coming from the Mesaverde formation. Allocation for the liquids would be recommended at 100% to the Mesaverde. We decided not to add compression to this well allowing it to continue producing into the low pressure gathering system.

Amoco began producing this well on April 11, 1996. The well produced a total of 9066 MCF for a total of 295.2 hours on production. Allocations were 4.48% to the Pictured Cliffs and 95.52% to the Mesaverde for gas production. Condensate production was allocated 100% to the Mesaverde.

Please advise if you do not find this a suitable method for allocation for this well.