

November 19, 1999

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New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

Re: San Juan 27-4 Unit #46 - CORRECTED H Section 31, T-27-N, R-4-W 30-039-20128

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2186 was issued for this well.

Gas:	Mesa Verde Dakota	86% 14%
Oil:	Mesa Verde Dakota	50% 50%

These allocations are based on isolated flow tests from the Mesa Verde and Dakota during completion operations. Please let me know if you have any questions.

Sincerely,

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Peggy Bradfield Cole Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe Bureau of Land Management – Farmington

3535 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

Calculations for San Juan 27-4 Unit #46 - MV/DK

H 31 T27N R04W

Commingled Blanco Mesaverde Basin Dakota

This is a MV recompletion with its production stream commingled with the Dakota per DHC 21

MV/DK commingled production after MV recompletion:	695 0	MCFD BOPD
DK only production:	100 0	MCFD BOPD

Gas Allocation

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MV =	((695-100)/695)*100	86	%
DK =	(100/6 95)*100	14	%

Oil Allocation

During workover operations oil production was encountered from the Mesaverde. Since the Dakota als a small amount of oil, the following allocation is recommended:

MV =	50	%
DK =	50	%