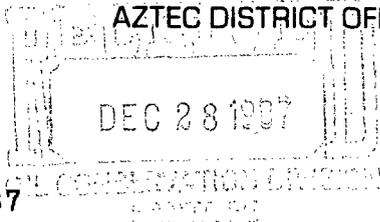




STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
 GOVERNOR

1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178



December 21, 1987

Mr. John Roe
 Dugan Production Corp.
 P.O. Box 208
 Farmington, NM 87401

DNK-688

Re: Phillips #1 H-5-24N-9W
 Commingled Allocation

Dear Mr. Roe:

Your recommended allocation of commingled production for the referenced well is approved as follows:

	<u>Gas</u>
Fruitland	80%
Pictured Cliffs	20%

Sincerely,

Frank T. Chavez
 District Supervisor

FTC/dj

xc: Well File
 Santa Fe