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Unit

April 16, 1995

Mr. Ben Stone
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Downhole Commingling Application - Change of Allocation Method
Lackey #1E
Unit I Section 23-T28N-R9W
Basin Dakota and Blanco Mesaverde Pools
San Juan County, New Mexico

I am sending this letter per our telephone conversation of today on how to handle differing allocation methods approved by the NMOCD and the BLM. Amoco Production Company is in receipt of NMOCD Administrative Order DHC - 1217 wherein you approved our commingling of the subject wellbore and the allocation as recommended by Amoco. The United States Bureau of Land Management has also recently approved our application, however a condition of their approval is that we must allocate this production by the subtraction method. The BLM has stipulated that we must extrapolate the production for the current producing horizon (Dakota) through the life of the well and attribute that production to the Dakota. Any production in excess of that curve would be attributed to the Mesaverde formation. Attached you will find a tabulated gas production forecast by month for the remaining life of the Dakota. The allocation for the condensate would be the same ratio used for the gas once that was determined from the production each month.

We are simultaneously transmitting this future production schedule to Ray Hager at the BLM for their files. Should you have questions, please do not hesitate to call me at 303-830-5344.

Sincerely,

Pamela W. Staley

Attachment

cc: Mark Rothenberg - Denver
Mark Stelling - Farmington
Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

Ray Hager
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

LACK1E

wellid	wellname	btu	Date	Monthly mcf	Daily MCP
300452491100DK	LACKEY 1E	1184	01-Jan-96	2249.6	74
300452491100DK	LACKEY 1E	1184	01-Feb-96	2188.8	72
300452491100DK	LACKEY 1E	1184	01-Mar-96	2158.4	71
300452491100DK	LACKEY 1E	1184	01-Apr-96	2128	70
300452491100DK	LACKEY 1E	1184	01-May-96	2097.6	69
300452491100DK	LACKEY 1E	1184	01-Jun-96	2036.8	67
300452491100DK	LACKEY 1E	1184	01-Jul-96	2006.4	66
300452491100DK	LACKEY 1E	1184	01-Aug-96	1976	65
300452491100DK	LACKEY 1E	1184	01-Sep-96	1945.6	64
300452491100DK	LACKEY 1E	1184	01-Oct-96	1884.8	62
300452491100DK	LACKEY 1E	1184	01-Nov-96	1854.4	61
300452491100DK	LACKEY 1E	1184	01-Dec-96	1824	60
300452491100DK	LACKEY 1E	1184	01-Jan-97	1793.6	59
300452491100DK	LACKEY 1E	1184	01-Feb-97	1763.2	58
300452491100DK	LACKEY 1E	1184	01-Mar-97	1732.8	57
300452491100DK	LACKEY 1E	1184	01-Apr-97	1702.4	56
300452491100DK	LACKEY 1E	1184	01-May-97	1672	55
300452491100DK	LACKEY 1E	1184	01-Jun-97	1641.6	54
300452491100DK	LACKEY 1E	1184	01-Jul-97	1611.2	53
300452491100DK	LACKEY 1E	1184	01-Aug-97	1580.8	52
300452491100DK	LACKEY 1E	1184	01-Sep-97	1550.4	51
300452491100DK	LACKEY 1E	1184	01-Oct-97	1520	50
300452491100DK	LACKEY 1E	1184	01-Nov-97	1489.6	49
300452491100DK	LACKEY 1E	1184	01-Dec-97	1459.2	48
300452491100DK	LACKEY 1E	1184	01-Jan-98	1428.8	47
300452491100DK	LACKEY 1E	1184	01-Feb-98	1398.4	46
300452491100DK	LACKEY 1E	1184	01-Mar-98	1398.4	46
300452491100DK	LACKEY 1E	1184	01-Apr-98	1368	45
300452491100DK	LACKEY 1E	1184	01-May-98	1337.6	44
300452491100DK	LACKEY 1E	1184	01-Jun-98	1307.2	43
300452491100DK	LACKEY 1E	1184	01-Jul-98	1276.8	42
300452491100DK	LACKEY 1E	1184	01-Aug-98	1246.4	41
300452491100DK	LACKEY 1E	1184	01-Sep-98	1246.4	41
300452491100DK	LACKEY 1E	1184	01-Oct-98	1216	40
300452491100DK	LACKEY 1E	1184	01-Nov-98	1185.6	39
300452491100DK	LACKEY 1E	1184	01-Dec-98	1155.2	38
300452491100DK	LACKEY 1E	1184	01-Jan-99	1155.2	38
300452491100DK	LACKEY 1E	1184	01-Feb-99	1124.8	37
300452491100DK	LACKEY 1E	1184	01-Mar-99	1094.4	36
300452491100DK	LACKEY 1E	1184	01-Apr-99	1094.4	36
300452491100DK	LACKEY 1E	1184	01-May-99	1064	35
300452491100DK	LACKEY 1E	1184	01-Jun-99	1033.6	34
300452491100DK	LACKEY 1E	1184	01-Jul-99	1033.6	34
300452491100DK	LACKEY 1E	1184	01-Aug-99	1003.2	33
300452491100DK	LACKEY 1E	1184	01-Sep-99	1003.2	33
300452491100DK	LACKEY 1E	1184	01-Oct-99	972.8	32
300452491100DK	LACKEY 1E	1184	01-Nov-99	942.4	31
300452491100DK	LACKEY 1E	1184	01-Dec-99	942.4	31
300452491100DK	LACKEY 1E	1184	01-Jan-00	912	30
300452491100DK	LACKEY 1E	1184	01-Feb-00	912	30
300452491100DK	LACKEY 1E	1184	01-Mar-00	881.6	29
300452491100DK	LACKEY 1E	1184	01-Apr-00	881.6	29
300452491100DK	LACKEY 1E	1184	01-May-00	851.2	28
300452491100DK	LACKEY 1E	1184	01-Jun-00	820.8	27
300452491100DK	LACKEY 1E	1184	01-Jul-00	820.8	27
300452491100DK	LACKEY 1E	1184	01-Aug-00	790.4	26
300452491100DK	LACKEY 1E	1184	01-Sep-00	790.4	26
300452491100DK	LACKEY 1E	1184	01-Oct-00	760	25
300452491100DK	LACKEY 1E	1184	01-Nov-00	760	25
300452491100DK	LACKEY 1E	1184	01-Dec-00	760	25

LACK1E

wellid	wellname	btu	Date	Monthly mcf	Daily MCF
300452491100DK	LACKEY 1E	1184	01-Jan-01	729.6	24
300452491100DK	LACKEY 1E	1184	01-Feb-01	729.6	24
300452491100DK	LACKEY 1E	1184	01-Mar-01	699.2	23
300452491100DK	LACKEY 1E	1184	01-Apr-01	699.2	23
300452491100DK	LACKEY 1E	1184	01-May-01	668.8	22
300452491100DK	LACKEY 1E	1184	01-Jun-01	668.8	22
300452491100DK	LACKEY 1E	1184	01-Jul-01	668.8	22
300452491100DK	LACKEY 1E	1184	01-Aug-01	638.4	21
300452491100DK	LACKEY 1E	1184	01-Sep-01	638.4	21
300452491100DK	LACKEY 1E	1184	01-Oct-01	608	20
300452491100DK	LACKEY 1E	1184	01-Nov-01	608	20
300452491100DK	LACKEY 1E	1184	01-Dec-01	608	20
300452491100DK	LACKEY 1E	1184	01-Jan-02	577.6	19
300452491100DK	LACKEY 1E	1184	01-Feb-02	577.6	19
300452491100DK	LACKEY 1E	1184	01-Mar-02	547.2	18
300452491100DK	LACKEY 1E	1184	01-Apr-02	547.2	18
300452491100DK	LACKEY 1E	1184	01-May-02	547.2	18
300452491100DK	LACKEY 1E	1184	01-Jun-02	516.8	17
300452491100DK	LACKEY 1E	1184	01-Jul-02	516.8	17
300452491100DK	LACKEY 1E	1184	01-Aug-02	516.8	17
300452491100DK	LACKEY 1E	1184	01-Sep-02	516.8	17
300452491100DK	LACKEY 1E	1184	01-Oct-02	486.4	16
300452491100DK	LACKEY 1E	1184	01-Nov-02	486.4	16
300452491100DK	LACKEY 1E	1184	01-Dec-02	486.4	16
300452491100DK	LACKEY 1E	1184	01-Jan-03	456	15
300452491100DK	LACKEY 1E	1184	01-Feb-03	456	15
300452491100DK	LACKEY 1E	1184	01-Mar-03	456	15
300452491100DK	LACKEY 1E	1184	01-Apr-03	425.6	14
300452491100DK	LACKEY 1E	1184	01-May-03	425.6	14
300452491100DK	LACKEY 1E	1184	01-Jun-03	425.6	14
300452491100DK	LACKEY 1E	1184	01-Jul-03	425.6	14
300452491100DK	LACKEY 1E	1184	01-Aug-03	395.2	13
300452491100DK	LACKEY 1E	1184	01-Sep-03	395.2	13
300452491100DK	LACKEY 1E	1184	01-Oct-03	395.2	13
300452491100DK	LACKEY 1E	1184	01-Nov-03	395.2	13
300452491100DK	LACKEY 1E	1184	01-Dec-03	364.8	12
300452491100DK	LACKEY 1E	1184	01-Jan-04	364.8	12
300452491100DK	LACKEY 1E	1184	01-Feb-04	364.8	12
300452491100DK	LACKEY 1E	1184	01-Mar-04	364.8	12
300452491100DK	LACKEY 1E	1184	01-Apr-04	334.4	11
300452491100DK	LACKEY 1E	1184	01-May-04	334.4	11
300452491100DK	LACKEY 1E	1184	01-Jun-04	334.4	11
300452491100DK	LACKEY 1E	1184	01-Jul-04	334.4	11
300452491100DK	LACKEY 1E	1184	01-Aug-04	334.4	11
300452491100DK	LACKEY 1E	1184	01-Sep-04	304	10
300452491100DK	LACKEY 1E	1184	01-Oct-04	304	10
300452491100DK	LACKEY 1E	1184	01-Nov-04	304	10
300452491100DK	LACKEY 1E	1184	01-Dec-04	304	10
300452491100DK	LACKEY 1E	1184	01-Jan-05	304	10
300452491100DK	LACKEY 1E	1184	01-Feb-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-Mar-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-Apr-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-May-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-Jun-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-Jul-05	273.6	9
300452491100DK	LACKEY 1E	1184	01-Aug-05	243.2	8
300452491100DK	LACKEY 1E	1184	01-Sep-05	243.2	8
300452491100DK	LACKEY 1E	1184	01-Oct-05	243.2	8
300452491100DK	LACKEY 1E	1184	01-Nov-05	243.2	8
300452491100DK	LACKEY 1E	1184	01-Dec-05	243.2	8

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wellid	wellname	bto	Date	Monthly mcf	Daily MCF
300452491100DK	LACKEY 1E	1184	01-Jan-06	243.2	8
300452491100DK	LACKEY 1E	1184	01-Feb-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Mar-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Apr-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-May-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Jun-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Jul-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Aug-06	212.8	7
300452491100DK	LACKEY 1E	1184	01-Sep-06	212.8	7
END OF FORECAST (ECONOMIC LIMIT OF WELL REACHED)					