

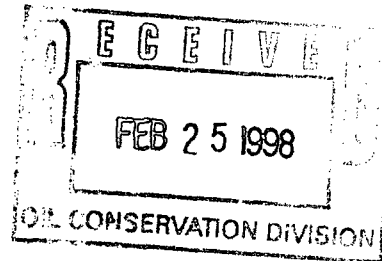


Mid-Continent Region
Exploration/Production

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

February 23, 1998

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



RE: Commingle Allocation for DHC Order # 1305
Hamner Well# 2A
Section 28, T29-N, R-9-W, C
San Juan County, New Mexico
Blanco Mesaverde (72319) & Basin
Dakota (71599)
API # 30-045-24161

Dear Mr. Katanach,

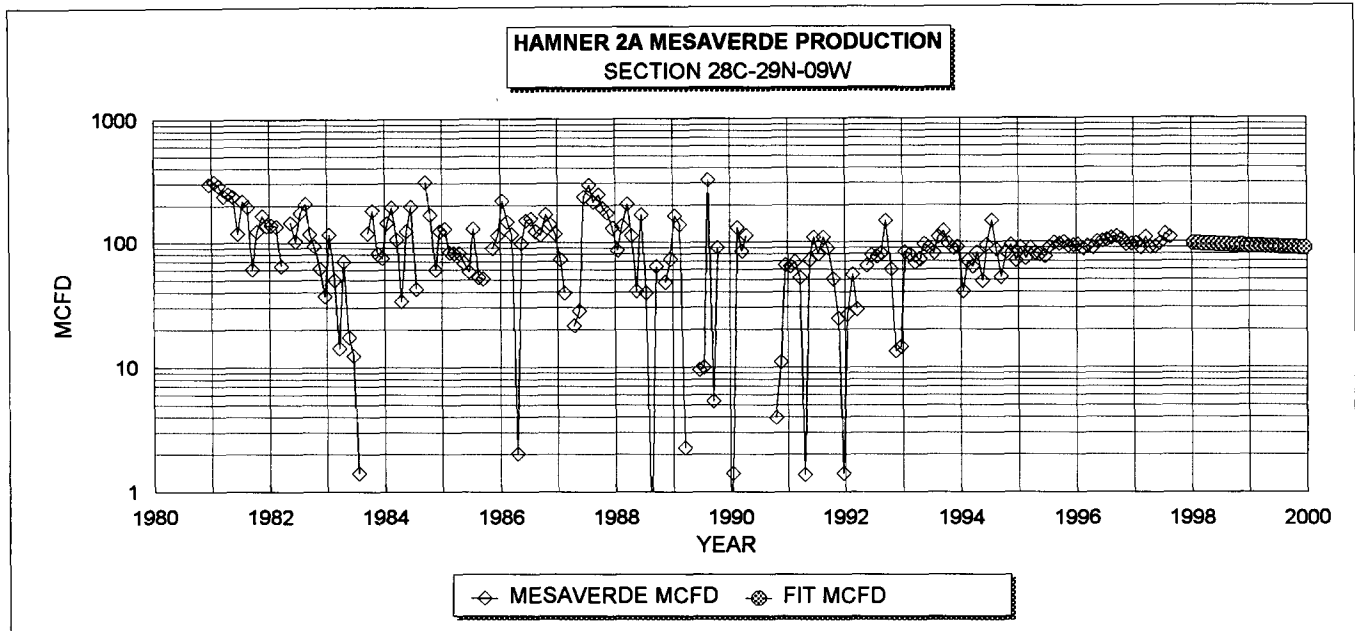
As per our conversation I am enclosing an updated allocation for the Hamner well. Conoco, Inc recently purchased this well from Amoco. After perusing the files it was determined that your request (copy enclosed) for allocation was never met. Conoco, Inc. Is submitting a fixed percentage allocation - Exhibit 1. We feel that the well has been producing long enough to show a decline rate in both the Mesaverde & Dakota close enough to allow a fixed percentage allocation. However, we are also enclosing a subtraction allocation based on the Dakota production - Exhibit 2. We hope one of the enclosed allocations will be satisfactory and the DHC Order # 1305 will remain active.

If there are any additional questions please feel free to call me - (915) 686-5798.

Sincerely yours,

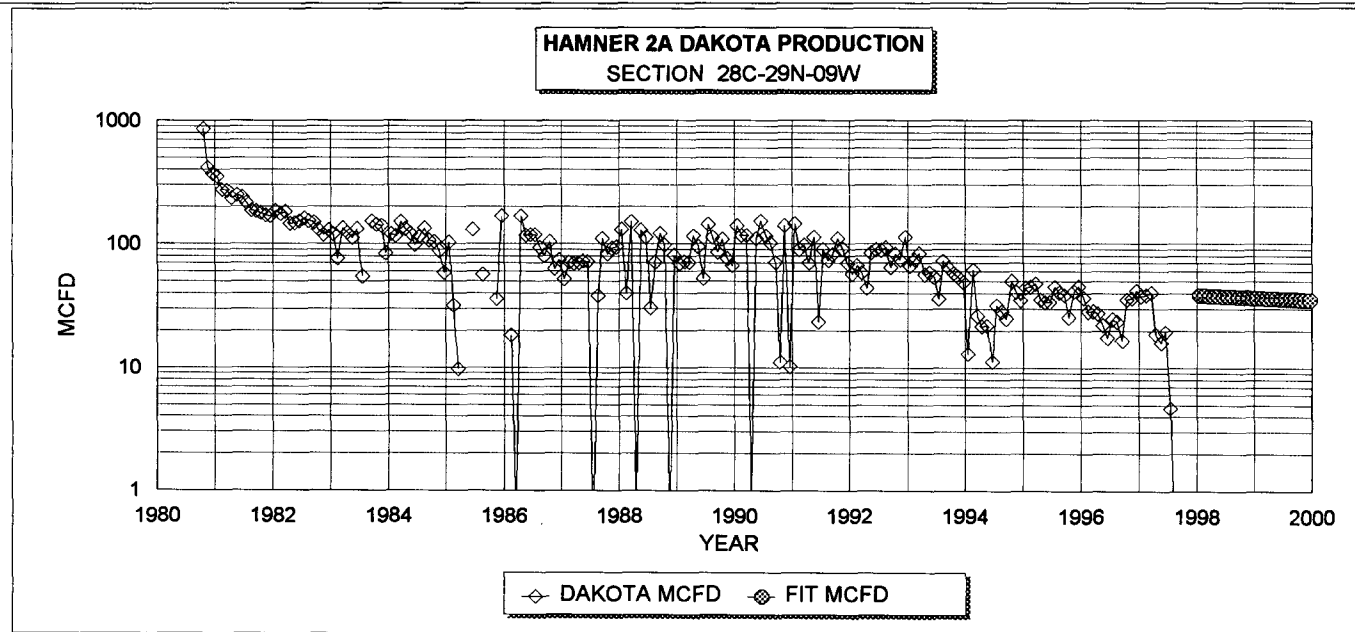

Kay Maddox
Regulatory Agent

EXHIBIT I



MESAVERDE HISTORICAL DATA: 1ST PROD: 12/80
OIL CUM: 1.82 MBO
GAS CUM: 570.3 MMCF
OIL YIELD: 0.0032 BBL/MCF

MESAVERDE PROJECTED DATA
 1/1/98 Qi: 97 MCFD
 DECLINE RATE: 4.3% (EXPONENTIAL)



DAKOTA HISTORICAL DATA 1ST PROD: 10/80
OIL CUM: 4.1 MBO
GAS CUM: 554.4 MMCF
OIL YIELD: 0.0074 BBL/MCF

DAKOTA PROJECTED DATA
 1/1/98 Qi: 38 MCFD
 DECLINE RATE: 4.3% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	72%	52%
DAKOTA	28%	48%

GAS ALLOCATION BASED ON PROJECTED 1997 RATES
 OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGY DATA

EXHIBIT 2

HAMNER 2A: DAKOTA FORECAST FOR SUBTRACTION COMMINGLE (DAKOTA SUBTRACTION)
 28C-29N-09W

(MID YR. AVG)	YEAR	DAKOTA				DAKOTA	
		MCFD				OIL; BOPD	
	1998		37.6				0.28
	1999		36.7				0.27
	2000		35.1				0.26
	2001		33.6				0.25
	2002		32.2				0.24
	2003		30.8				0.23
	2004		29.5				0.22
	2005		28.2				0.21
	2006		27.0				0.20
	2007		25.8				0.19
	2008		24.7				0.18
	2009		23.6				0.18
	2010		22.6				0.17
	2011		21.7				0.16
	2012		20.7				0.15
	2013		19.8				0.15
	2014		19.0				0.14
	2015		18.2				0.13
	2016		17.4				0.13
	2017		16.6				0.12
	2018		15.9				0.12
	2019		15.2				0.11
	2020		14.6				0.11
	2021		14.0				0.10
	2022		13.4				0.10
	2023		12.8				0.09
	2024		12.2				0.09
	2025		11.7				0.09
	2026		11.2				0.08
	2027		10.7				0.08
	2028		10.3				0.08
	2029		9.8				0.07
	2030		9.4				0.07
	2031		9.0				0.07