

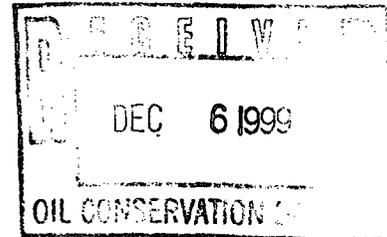


**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

November 22, 1999

Conoco Inc.  
P.O. Box 2197  
DU 3066  
Houston, Texas 77252-2197



Attention: Ms. Deborah Moore

Re: DHC Application  
San Juan 28-7 Unit No. 52

Dear Ms. Moore:

With regards to the above-described downhole commingling application, please submit a description of the data utilized to determine the allocation of production to each of the zones. The approximate rate of production, as shown on the C-107-A, does not support the proposed percentages.

Your application will be processed upon receipt of this data. If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach  
Engineer

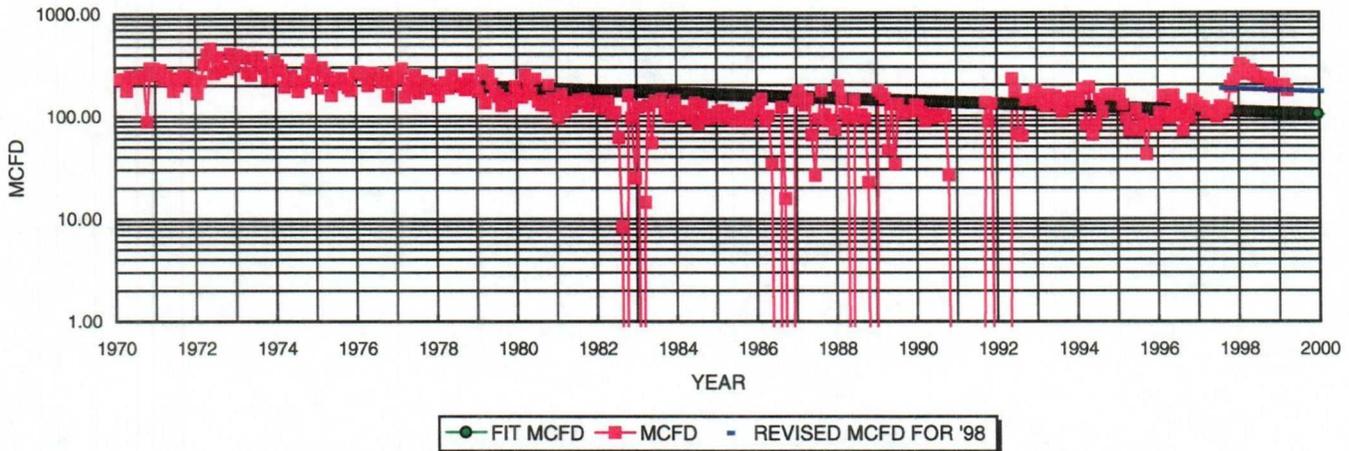
Xc: OCD-Aztec

David:

In response to your letter please find attached our decline curve. If you have any questions please give me a call at (281)293-1005.

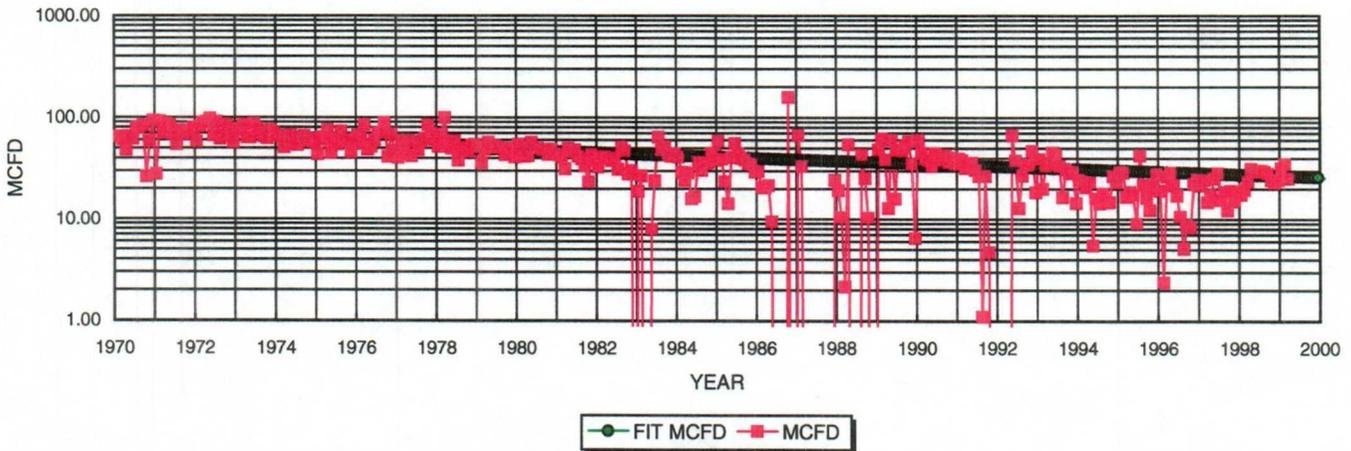
Hebbie

**SAN JUAN 28-7 #52 MESAVERDE PRODUCTION  
SECTION 27H-28N-07W**



<b>MESAVERDE HISTORICAL DATA:</b>		<b>1ST PROD: 02/57</b>	<b>MESAVERDE PROJECTED DATA:</b>	
OIL CUM:	16.44	MBO	09/01/99 Qi:	176 MCFD
GAS CUM:	3044.1	MMCF	DECLINE RATE:	3.0% (EXPONENTIAL)
OIL YIELD:	0.0054	BBL/MCF		

**SAN JUAN 28-7 #52 PICTURED CLIFFS PRODUCTION  
SECTION 27H-28N-07W**



<b>PICTURED CLIFFS HISTORICAL DATA:</b>		<b>1ST PROD: 11/59</b>	<b>PICTURED CLIFFS PROJECTED DATA:</b>	
OIL CUM:	0.0	MBO	09/01/99 Qi:	27 MCFD
GAS CUM:	701.5	MMCF	DECLINE RATE:	3.0% (EXPONENTIAL)
OIL YIELD:	0.0000	BBL/MCF		

<b>FIXED COMMINGLE ALLOCATION FACTORS:</b>			<b>API # 30-039-07315</b>
	GAS	OIL	GAS ALLOCATION BASED ON PROJECTED 1999 RATES
MESAVERDE	87%	100%	OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
PICTURED CLIFFS	13%	0%	

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Note - allocation is based on the most current production from the Mesaverde (1998+)