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SUPRON ENERGY CORPORATION
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Farmington, New Mexico 87401

July 18, 1977

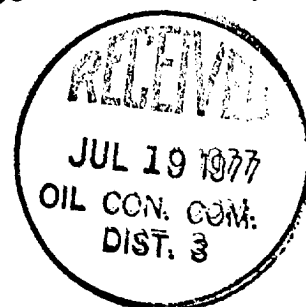
Mr. A. R. Kendrick, District Supervisor
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Reference: Case No. 5833
Order No. R5354
Authorization to Commingle Gallup and Dakota production
within the wellbore.

Jicarilla "L" #2 - (G), Sec. 10, T-24N, R-5W
Jicarilla "L" #3 - (E), Sec. 3, T-24N, R-5W
Jicarilla "L" #4 - (G), Sec. 9, T-24N, R-5W
Jicarilla "L" #5 - (N), Sec. 33, T-25N, R-5W
Jicarilla "L" #6 - (M), Sec. 34, T-25N, R-5W
Jicarilla "N" #1 - (K), Sec. 4, T-24N, R-5W

This letter will verify our verbal agreement of July 15, 1977 in your Aztec office, as to the proper percentage of production of Oil and Gas to assign to the Dakota and Gallup formations of each of the above named wells. These percentage figures were arrived at after careful consideration of the past several months production and are as follows:

<u>Well Name & No.</u>	<u>Formation</u>	<u>Gas (%)</u>	<u>Oil (%)</u>
Jicarilla "L" #2	Gallup	14 ✓	60 ✓
/ Jicarilla "L" #2	Dakota	86 ✓	40 ✓
Jicarilla "L" #3	Gallup	47 ✓	50 ✓
/ Jicarilla "L" #3	Dakota	53 ✓	50 ✓
Jicarilla "L" #4	Gallup	12 ✓	28 ✓
/ Jicarilla "L" #4	Dakota	88 ✓	72 ✓
Jicarilla "L" #5	Gallup	7 ✓	30 ✓
→ Jicarilla "L" #5	Dakota	93 ✓	70 ✓
Jicarilla "L" #6	Gallup	2 ✓	7 ✓
Jicarilla "L" #6	Dakota	98 ✓	93 ✓
/ Jicarilla "N" #1	Gallup	2 ✓	15 ✓
Jicarilla "N" #1	Dakota	98 ✓	85 ✓



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These percentage figures will be applied to all of the commingled wells effective after turn on.

The Jicarilla "N" #2 well located in Unit N, Sec. 3, T-24N, R-5W was also included in this case and Order number, however, it will not be commingled until a later date.

If additional information is required please let us know.

Sincerely yours,

SUPRON ENERGY CORPORATION



Rudy D. Motto
Area Superintendent

RDM:ml

cc: Mr. Haskell Fleetwood
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