



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

**AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170 Fax (505) 334-6170**

**GARY E. JOHNSON
GOVERNOR**

**JENNIFER A. SALISBURY
CABINET SECRETARY**

February 29, 1996

Mr Jerry Hoover
Conoco Inc
10 Desta Dr Ste 100W
Midland TX 79705-4500

Re: Jicarilla ^b #8A, D-25-26N-04W, 30-039-21929

Dear Mr Hoover:

Your recommended allocation of production to the referenced well is hereby approved as follows:

	Gas	Oil
Blanco Mesaverde	52%	17%
Basin Dakota	48%	83%

Sincerely,

Frank T. Chavez
District Supervisor

FTC\sh

cc: Well file

conjica 8a



Midland Division
Exploration Production

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

February 20, 1996

Mr. Ernie Busch
Aztec District Office
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

RECEIVED
FEB 22 1996

OIL CON. DIV.
DALLAS

**Re: Jicarilla "B" No. 8A Downhole Commingling Allocation Formula Approval
Unit D, Section 25, Township 26 North, Range 4 West, Rio Arriba County
Downhole Commingling Authorized by Administrative Order DHC-1095**

Dear Mr. Busch:

Conoco recently purchased the subject well from Merit Energy Company. Downhole commingling approval had already been secured by Merit through Order DHC-1095, but apparently Merit had not yet contacted your office to secure approval of an allocation formula for the commingled well. Therefore, Conoco as the current operator is submitting the following production history and proposed fixed allocation formula for your approval.

EXHIBIT A: Blanco Mesaverde production history plot

EXHIBIT B: Basin Dakota production history plot

EXHIBIT C: -- Production plots with projected exponential decline fit of data
-- Historical data for both zones (cums, current rates, decline rates)
-- 1/1/96 producing rates
-- Proposed fixed allocation factors based on 1/1/96 rates

Since decline analysis of both producing zones indicates that both are producing at a stabilized 4.5% exponential decline, it is proposed that the following fixed percentage formula be established for proper allocation of production from this commingled well:

	<u>GAS</u>	<u>OIL</u>
Blanco Mesaverde	52 %	17 %
Basin Dakota	48 %	83 %

If you have any further questions or requirements for your consideration of this proposal, please contact me at (915) 686-6548.

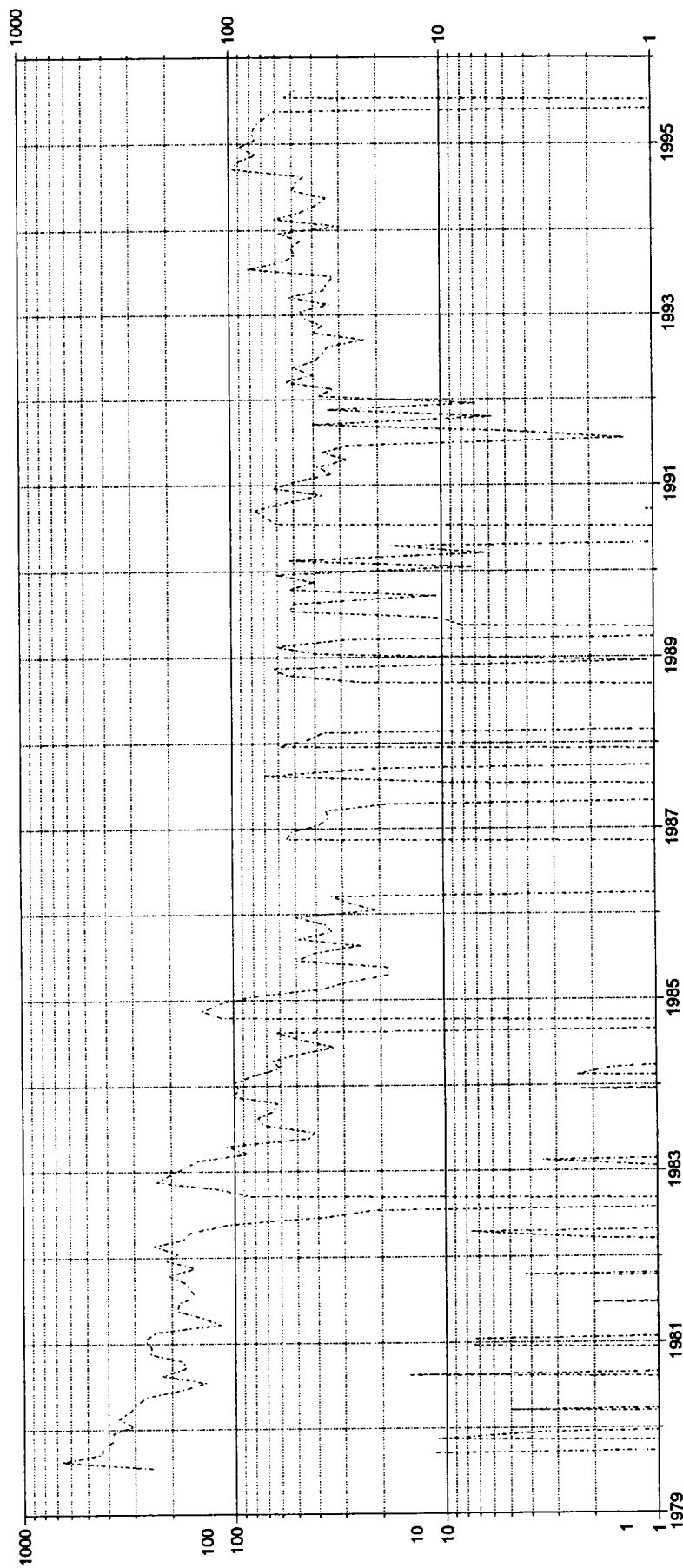
Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

Dwights

1000 Lease: JICARILLA B 00008A

Retrieval Code: 251,039,26N04W25D00M



County: RIO ARRIBA

Field: BLANCO (MESASVERDE) MV

Reservoir: MESASVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 3150 bbl

Gas Cum: 477002 mcf

Location: 25D 26N 4W

F.P. Date: 07/79

Date: 02/07/96

Water (bbl/day)

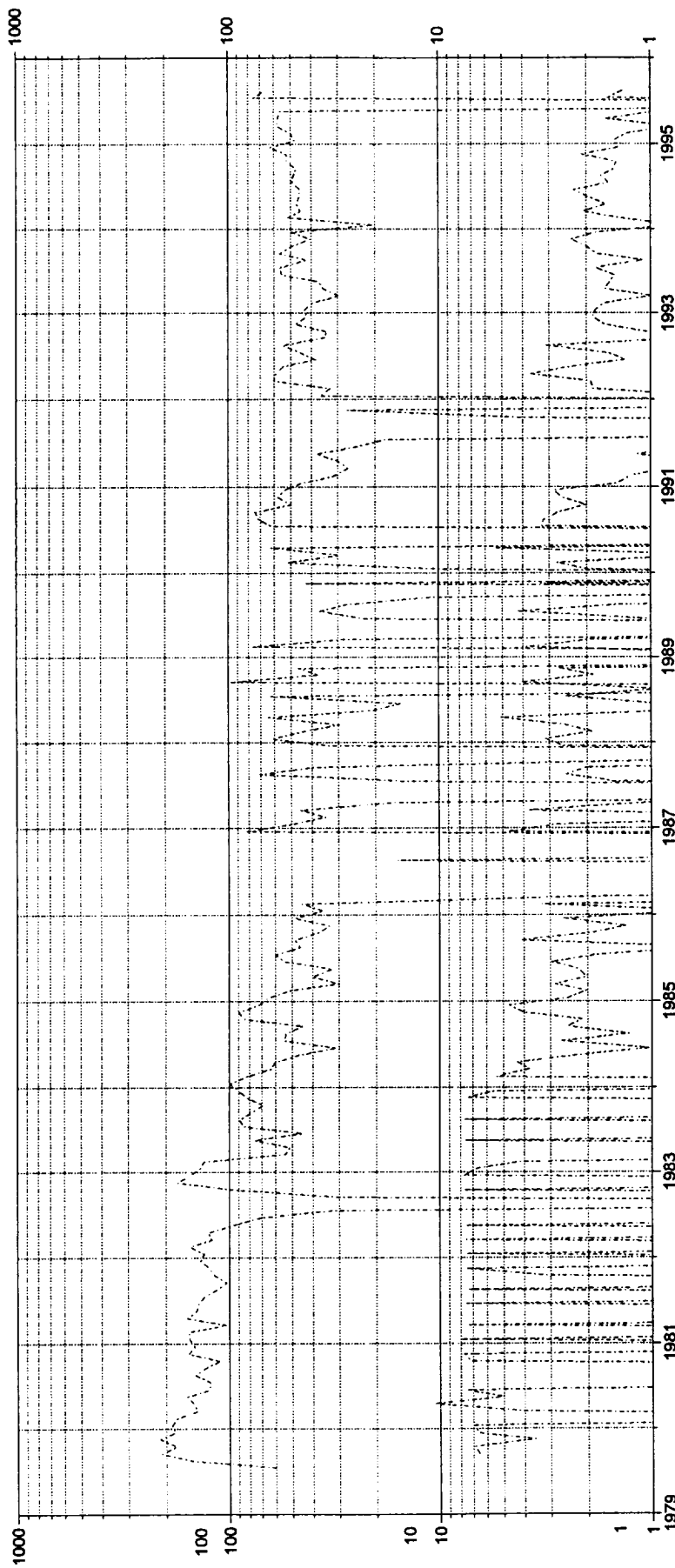
Gas (mcf/day)

Oil (bbl/day)

Dwights

1000 Lease: JICARILLA B 00008A

Retrieval Code: 251,039,26N04W25D00D



County: RIO ARRIBA

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

State: NM

Oil Cum: 12866 bbl

Gas Cum: 360446 mcf

Location: 25D 26N 4W

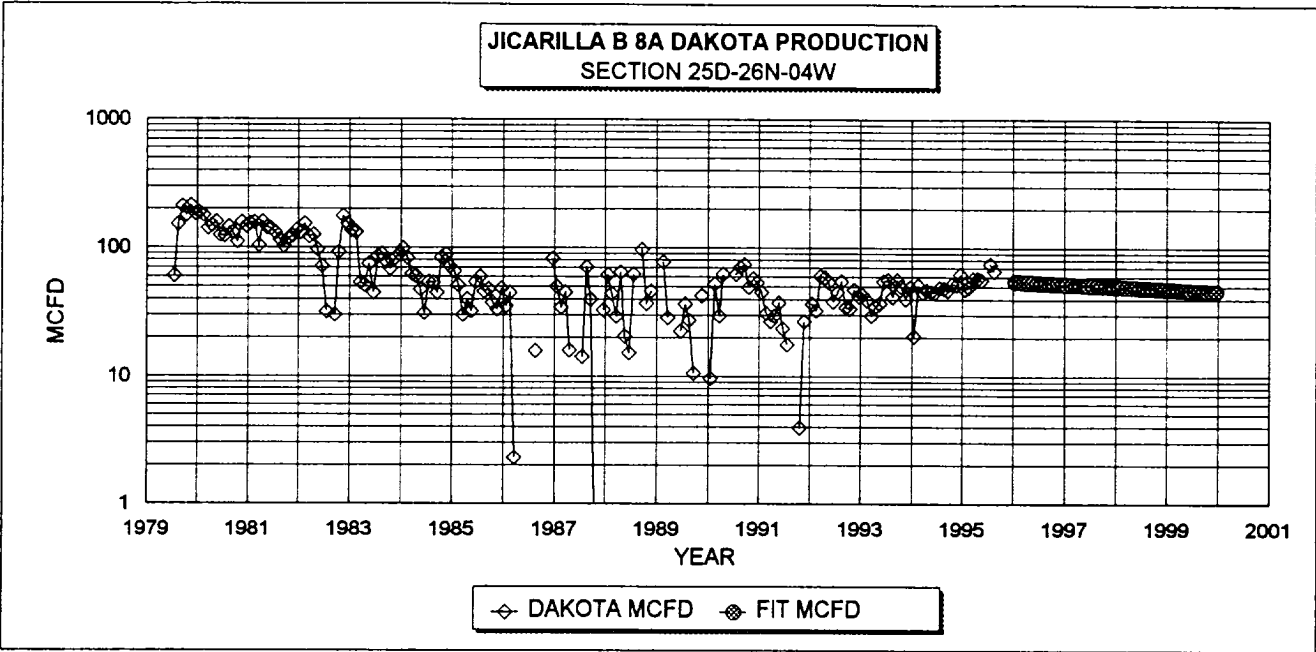
F.P. Date: 07/79

Water (bbl/day)

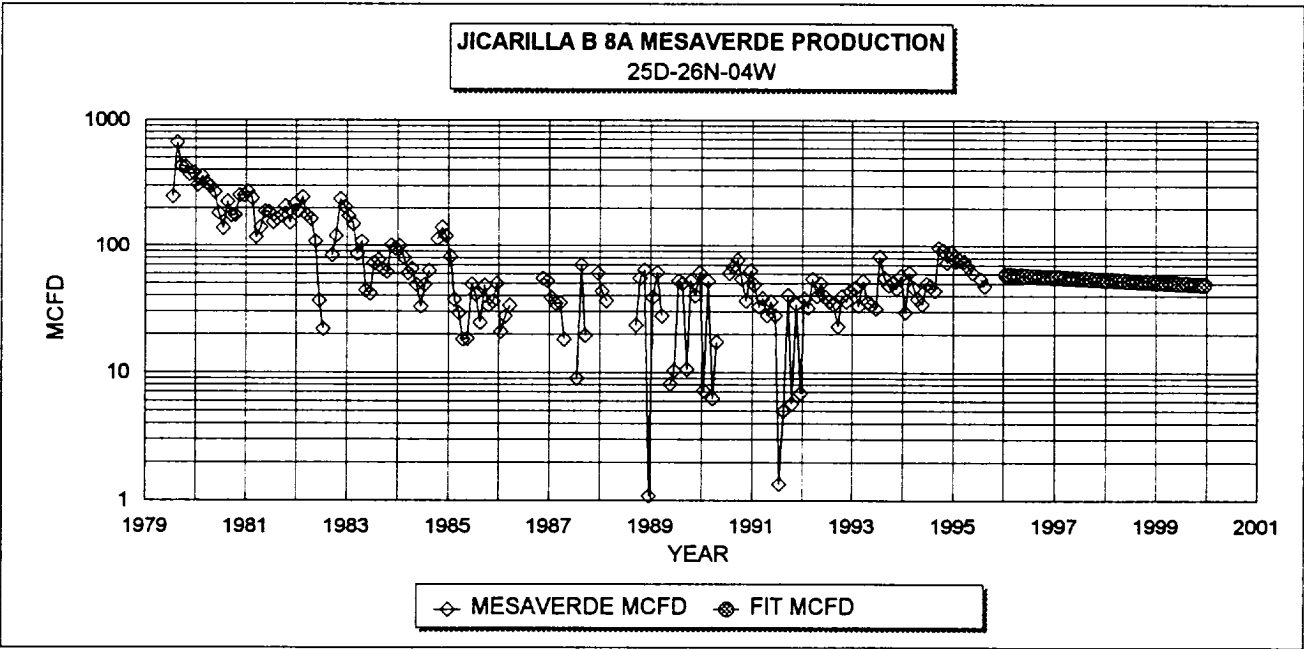
Gas (mcf/day)

Date: 02/07/96

Oil (bbl/day)



DAKOTA	OIL CUM:	12.87 MBO	1/1/96 QI:	55 MCFD
	GAS CUM:	360.45 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
	OIL YIELD:	0.0357 BBL/MCF		



MESAVERDE:	OIL CUM:	3.15 MBO	1/1/96 QI:	59 MCFD
	GAS CUM:	477.00 MMCF	DECLINE RATE:	4.5% (EXPONENTIAL)
	OIL YIELD:	0.0066 BBL/MCF		

FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
MESAVERDE:	52%	17%
DAKOTA:	48%	83%

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA