

October 9, 1999

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New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

Re: Davis #9 1650'FNL, 1650'FWL Section 12, T-31-N, R-12-W 30-045-10878

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well./DHC-1903\_was issued for this well.

| Gas: | Mesa Verde<br>Dakota | 80.2%<br>19.8% |
|------|----------------------|----------------|
| Oil: | Mesa Verde<br>Dakota | 0%<br>0%       |

These allocations are based on adjusted production from the Mesa Verde and Dakota. Please let me know if you have any questions.

Sincerely,

Peggy Bradfield Cole Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe Bureau of Land Management – Farmington

3535 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

## DAVIS #9

1650' FNL 1650' FWL J - Sec 12, 31N, 12 W

## **Production Allocation**

| *Dakota Average Production Rate for 12-98 (month prior |        |          |        |
|--|--------|----------|--------|
| to the work) Adjusted to 8-99:                         |        | 79 mcfd  | 19.8%  |
|  |        | 319 mcfd | 80.2%  |
| *Mesaverde Average Producton Rate (8/99):              | Total: | 398      | 100.0% |

\*Allocation Formula Basis: The fixed percentages are based on the average Dakota rate one month prior to the Mesaverde recompletion (12/98) adjusted to 8-99:

| Q avg 12-98 | 82 MCFD                |   |         |
|-------------|------------------------|---|---------|
| Q 8-99      | = Qi * e^(-Dt)         |   |         |
| Q 8-100     | = 82 * e^((.0468/12)*8 | = | 79 MCFD |

This average was then subtracted from the daily average for the month of August 1999 to determine the Mesaverde average rate.

398 mcfd - 79 mcfd = 319 mcfd

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msq 10/07/99