

October 9, 1999

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

Re: Vasaly Com #1 A Section 22, T-30-N, R-11-W 30-045-09387

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2113 was issued for this well.

Gas:	Mesa Verde Dakota	60% 40%
Oil:	Mesa Verde Dakota	50% 50%

These allocations are based on historic data 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

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

Vasaly Com #1 (Mesaverde/Dakota)Commingle Unit A, 22-T30N-R11W San Juan County, New Mexico

Allocation Formula Method:

1998 Six Month Dakota Average = <u>185 MCFD & 0 BO</u>

1999 Three Month Commingled Average = <u>466 MCFD & 0 BO</u>

1999 Commingled Production - 1998 Dakota Average = Mesaverde Contribution

GAS:

4.4

$$\frac{(DK) 185 \text{ MCFD}}{(MV \& DK) 466 \text{ MCFD}} = (DK) \% \frac{Dakota 40\%}{Dakota 40\%}$$

 $\frac{(MV \& DK) 466 \text{ MCFD } (100\%) - (DK) 45 \text{ MCFD } (40\%)}{= (MV) \% \text{ Mesaverde } 60\%}$

<u>OIL:</u>

$\frac{(DK) 0 \text{ BOPD}}{(MV \& DK) 0 \text{ BOPD}} = (DK) \% \underline{Dakota 50\%}$

<u>(MV & DK) 0 BOPD (100%) - (DK) 0 BOPD (50%)</u> = (MV) % <u>Mesaverde 50</u>%