



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

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GOVERNOR

AZTEC DISTRICT OFFICE
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JENNIFER A. SALISBURY
CABINET SECRETARY

February 29, 1996

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

Re: Jicarilla A #13E, N-13-26N-04W, 30-039-22356

Dear Mr Hoover:

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

	Gas	Oil
Blanco Mesaverde	90%	20%
Basin Dakota	10%	80%

Sincerely,

Frank T. Chavez
District Supervisor

FTC\sh

cc: well file

con) id 3e

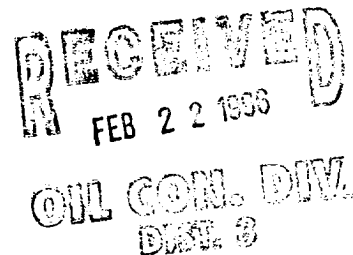


Midland Division
Exploration Production

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



**Re: Jicarilla "A" No. 13E Downhole Commingling Allocation Formula Approval
Unit N, Section 13, 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 5.0% 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	90 %	20 %
Basin Dakota	10 %	80 %

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

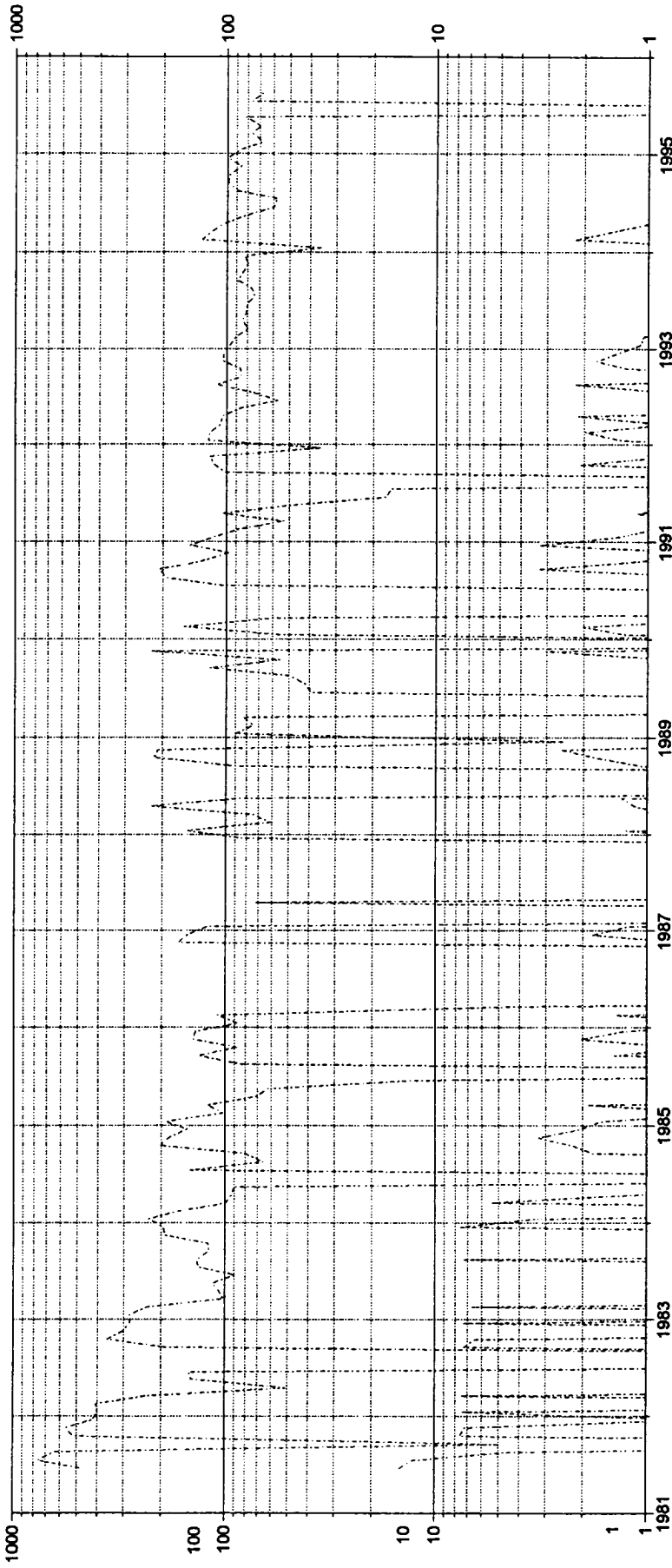
Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

Dwights

1000 Lease: JICARILLA A 00013E

Retrieval Code: 261,039,26N04W13N00M

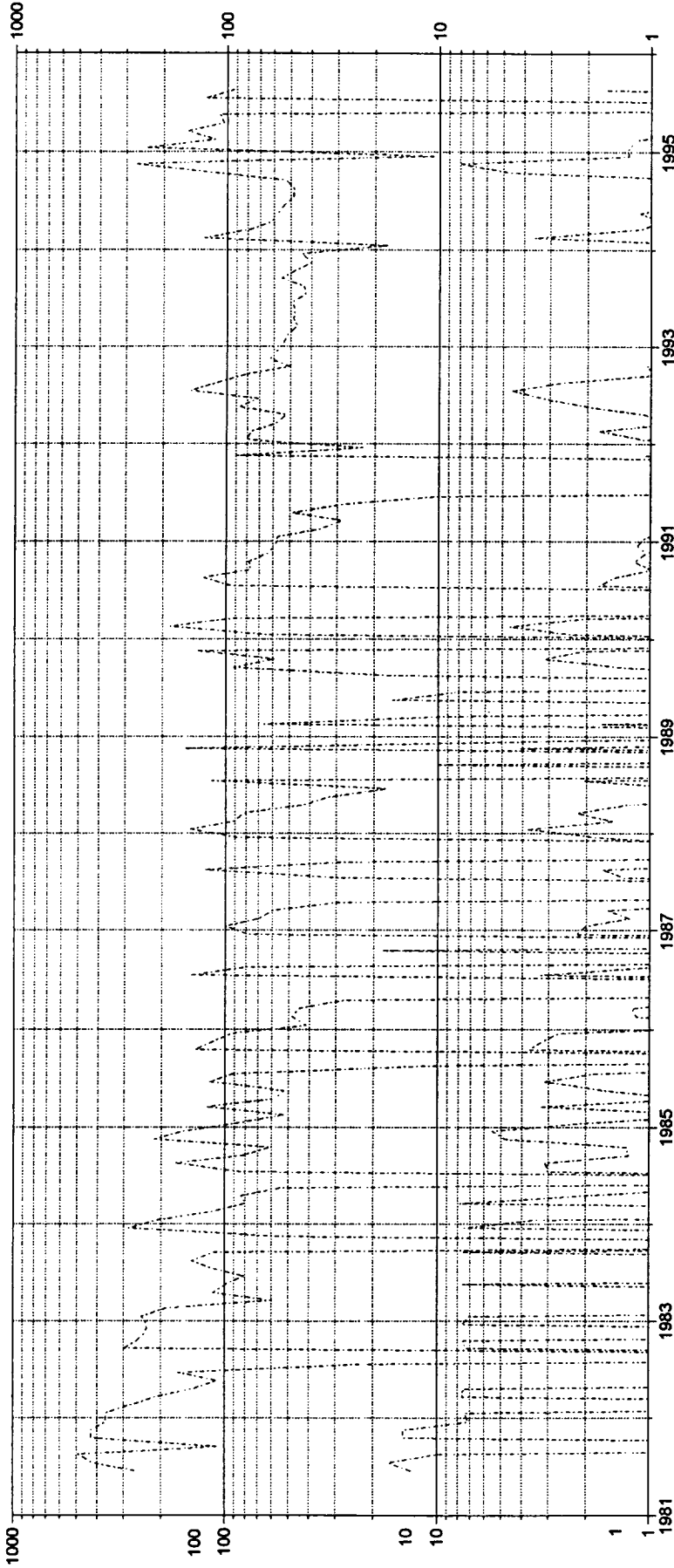


County: RIO ARRIBA	State: NM	F.P. Date: 06/81	Date: 02/07/96
Field: BLANCO (MESAVERDE) MV	Oil Cum: 6413 bbl		
Reservoir: MESAVERDE	Gas Cum: 570238 mcf	Water (bbl/day)	
Operator: CONOCO INC	Location: 13N 26N 4W	Gas (mcf/day)	Oil (bbl/day)

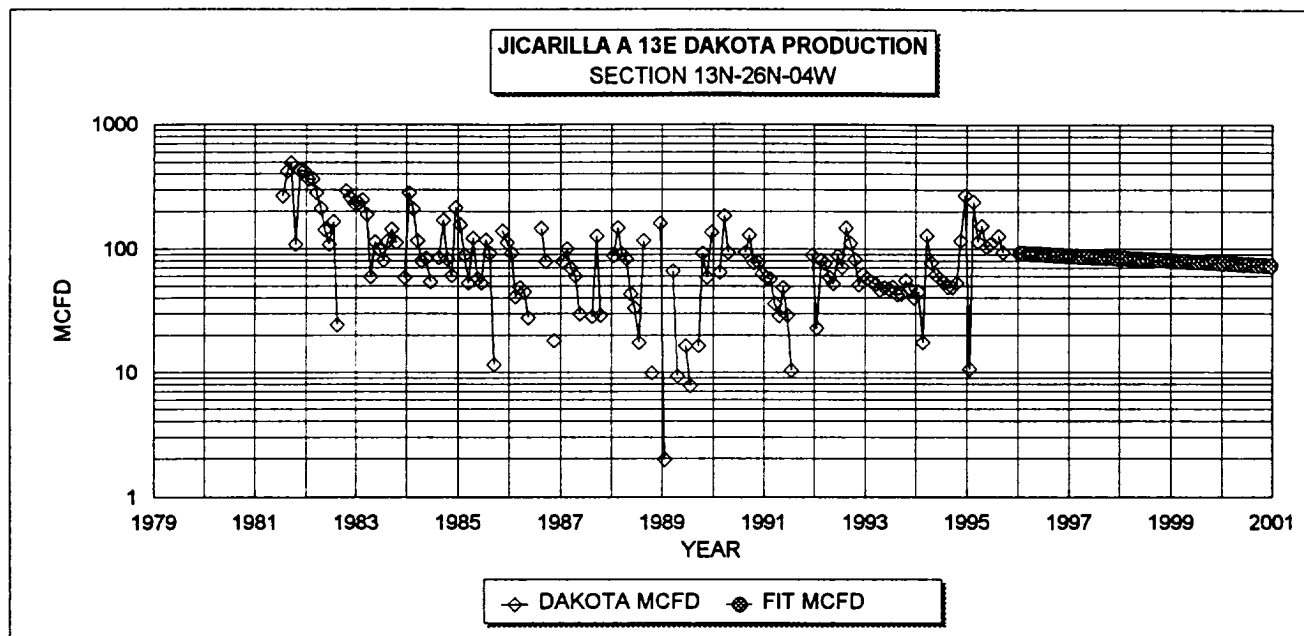
Dwights

1000 Lease: JICARILLA A 00013E

Retrieval Code: 251,039,26N04W13N00D



County: RIO ARRIBA	State: NM	F.P. Date: 06/81	Date: 02/07/96
Field: BASIN (DAKOTA) DK	Oil Cum: 9993 bbl	Water (bbl/day)	
Reservoir: DAKOTA	Gas Cum: 462984 mcf	Gas (mcf/day)	
Operator: CONOCO INC	Location: 13N 26N 4W	Oil (bbl/day)	

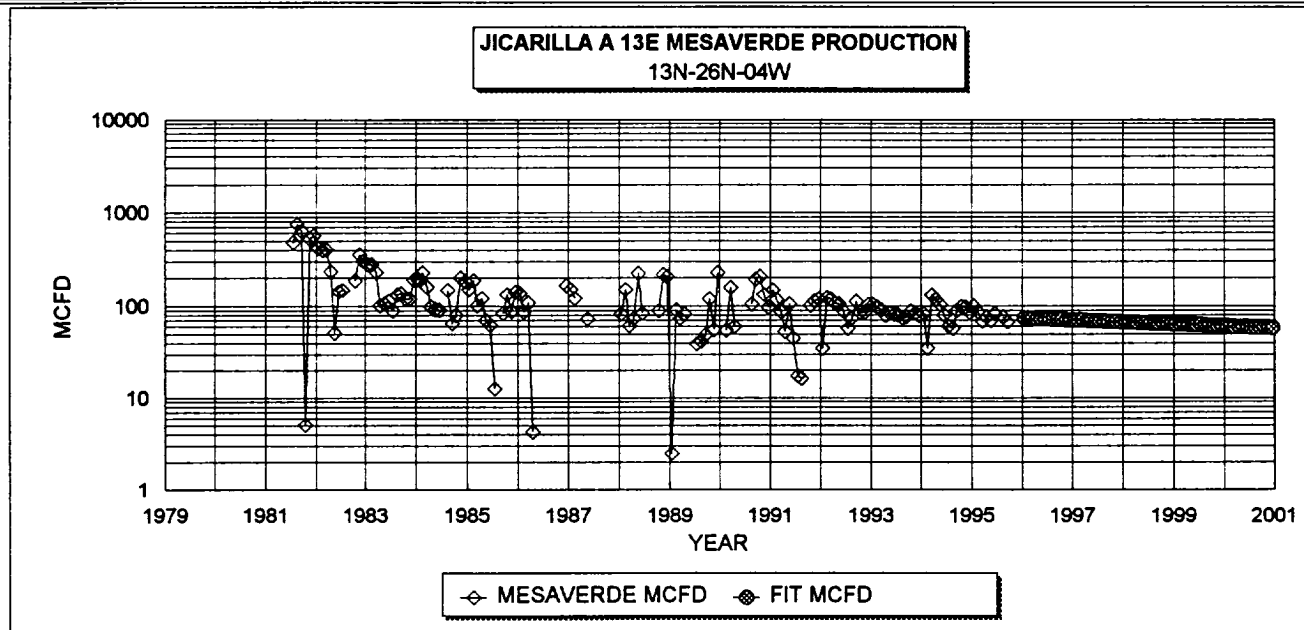


DAKOTA HISTORICAL DATA:

OIL CUM: 9.99 MBO
GAS CUM: 462.98 MMCF
OIL YIELD: 0.0216 BBL/MCF

DAKOTA PROJECTED DATA

1/1/96 Q1: 92 MCFD
DECLINE RATE: 4.7% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA

OIL CUM: 6.41 MBO
GAS CUM: 570.24 MMCF
OIL YIELD: 0.0112 BBL/MCF

MESAVERDE PROJECTED DATA

1/1/96 Q1: 74 MCFD
DECLINE RATE: 4.7% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE:	45%	30%
DAKOTA:	55%	70%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHT'S ENERGY DATA