



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE  
AZTEC NM 87410  
(505) 334-6178 FAX: (505) 334-6170  
<http://nemnr.state.nm.us/ocd/District/III3district.htm>

GARY E. JOHNSON  
GOVERNOR

Jennifer A. Salisbury  
CABINET SECRETARY

March 17, 1998

Kay Maddox  
10 Desta Dr Ste 100W  
Midland TX 79705-4500

Re: Reams Com #3Y, C-19-26N-06W, API# 30-039-25686, DHC

Dear Ms. Maddox:

Your recommended allocation of commingled production for the referenced well is hereby accepted as follows:

	Gas	Oil
Mesaverde	41%	91%
Basin Dakota	59%	09%

Yours truly,

Ernie Busch  
District Geologist/Deputy O&G Inspector

EB/sh

cc: Duane Spencer-BLM Farmington  
well file

**Mid-Continent Region**  
Exploration/Production

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

February 25, 1998

Mr. Frank Chavez  
Oil Conservation Division  
1000 Rio Brazos Rd  
Aztec, New Mexico 87410

RE: Allocation for Downhole Commingling  
Blanco Mesaverde (72319) Basin Dakota (71599)  
Reams Com #3Y API # 30-039-25686  
Section 19, T-26-N, R-6-W, C  
Rio Arriba, New Mexico

**RECEIVED**  
MAR - 2 1998  
**OIL CON. DIV.**  
**DIST. 3**

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Administrative Order # DHC 1647 prior to being completed. This order provided for the allocation to be submitted and approved by the District Supervisor of the Aztec OCD office.

Extensive and historical data and modeling of early time profiles from these two pools have shown that once a stabilized flow rate has been established in both of them, they exhibit essentially identical decline patterns and rates. Therefore, it is valid and prudently accurate to establish commingling allocation percentages on early time stabilized rates in newly drilled wells where both the Mesaverde and Dakota are sequentially completed and to expect these percentages to be reasonably accurate for the life of the well.

The well was initially completed and fracture stimulated in the Dakota & Mesaverde on February 6, 1998. Well was cleaned out and tested the Mesaverde on February 18, 1998. (BP isolated MV from DK) After test, BP was removed and well was cleaned out to TD. Combined MV/DK test taken on February 23, 1998. Subtraction of Mesaverde test from combined Mesaverde and Dakota test resulted in the submitted data.

The stabilized gas and associated oil rates and the resulting percentage allocations for both completions are shown below:

	<b>OIL Rate BOPD</b>	<b>Stabilized Gas Rates</b>	<b>Stabilized Water</b>	<b>Oil %</b>	<b>Gas %</b>	<b>Water %</b>
Mesaverde	10	321 MCFD	20 BWPD	90.9%	41.2%	80%
Dakota	1	459 MCFD	5 BWPD	9.1%	58.8%	20%



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If there are further questions concerning these factors, please contact me at (915) 686-5798. Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox  
Regulatory Agent