



November 3, 2000

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

Johnston Shear #1A
Unit I, Section 3, T 26 N, R 3 W
Rio Arriba Co., New Mexico
WC 26N3W3I Gallup Gas (96951) & Blanco Mesa Verde (72319) Pools
Administrative Order DHC-2741
API # 30-039-26262

Dear Mr. Chavez:

We recently completed the field operations to **Add Pay** and downhole commingle the subject well. In accordance to DHC-2741, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to downhole commingling, the Gallup was producing a stabilized rate of 56 MCFD and 3 BOPD. The Mesa Verde was added to the wellbore. The well has stabilized after 60 days of production at a combined rate of 390 MCF/D and 4 BOPD. It is recommended the production allocation be as follows:

	Gas	Oil
Mesa Verde	86%	25%
Gallup	14%	75%

If additional information is needed, please contact me.

Sincerely Yours,

Gary W. Brink
Production Superintendent