



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
[http://nemnrd.state.nm.us/ocd/District III/3ddistrict.htm](http://nemnrd.state.nm.us/ocd/District%20III/3ddistrict.htm)

GARY E. JOHNSON
GOVERNOR

Jennifer A. Salisbury
CABINET SECRETARY

June 26, 1998

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

Re: San Juan 28-7 Unit #214M, P-04-27N-07W, API# 30-039-25793, DHC

Dear Ms. Maddox:

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

	Gas	Oil
Blanco Mesaverde	66%	50%
Basin Dakota	34%	50%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

cc: Duane Spencer-BLM Farmington
David Catanach-NMOCD Santa Fe
well file

287214M-dhc



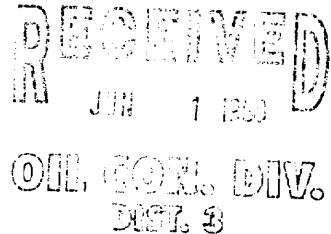
Mid-Continent Region
Exploration/Production

May 29, 1998

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

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

RE: Allocation For Downhole Commingling
San Juan Unit 28-7 #214 M
API # 30-039-25793
Unit P, Section 4, T-27-N, R-7-W
Rio Arriba County, New Mexico
Blanco Mesaverde (72319)
Basin Dakota (71599)



Dear Mr. Chavez,

Please find attached a copy of DHC Order # 1926 that permits commingling of subject well. The Mesaverde was tested in the subject well on May 7 for approximately 12 hours. The well cleaned up and stabilized. On May 10, 1998 a combined test was taken. The subtraction of the Mesaverde test from combined Mesaverde and Dakota test provided the stabilized gas and associated oil rates reported below. Conoco respectfully requests that production from this well be allocated as indicated below.

	<u>GAS</u>	<u>OIL</u>
Mesaverde	1155 MCFD	1 BOPD
Dakota	593 MCFD	1 BOPD

Fixed Allocation

Mesaverde	66%	50%
Dakota	34%	50%

If there are any further questions regarding this request please contact me @ (915) 686-5798. Thank You.

Sincerely yours,

Kay Maddox
Kay Maddox
Regulatory Agent

KM/



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1926

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

*San Juan 28-7 Unit No. 214M
API No. - 30-039-25793
Unit P, Section 4, Township 27 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Maddox:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-1926

Conoco Inc.

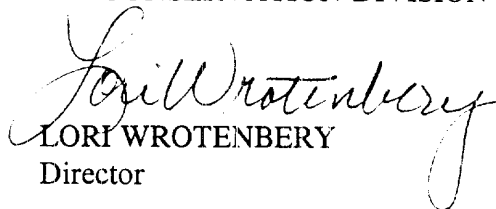
May 11, 1998

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 11th day of May, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington