



July 3, 2001

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

RE: Allocation for Downhole Commingling
San Juan 28-7 #6
API#30-039-07398
N, Sec.16, T28N, R7W
Blanco Mesaverde 72319; South Blanco Pictured Cliffs (72439); Basin Fruitland Coal (71629)

Mr. Chavez:

DHC 2850

Conoco Inc. requests that production from this well be allocated as indicated by the initial flow test data below:

Fruitland Coal (production up casing)
04/04/01 80 MCFD + 0 BOPD + 0 BWPD

Pictured Cliffs (production up casing)
04/04/01 752 MCFD + 0 BOPD + 0 BWPD

Based on these initial inflow tests, calculated DHC allocation percentages for the FC and PC are:

Fixed Allocation (Gas)

Fruitland Coal
Pictured Cliffs

~~10%~~ 8%
90% 76%
MW 16%

Fixed Allocation (Oil)

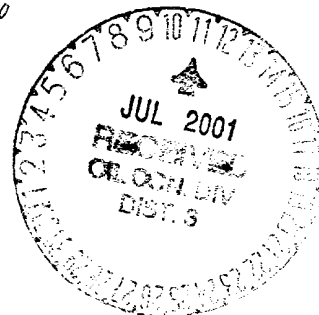
Fruitland Coal
Pictured Cliffs

0%
0%

MV = 100%

The production forecast for the Mesaverde Formation is as follows:

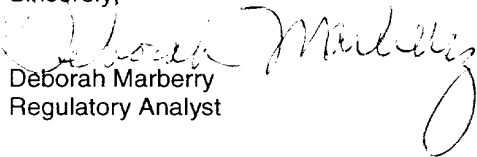
YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	161	0.5
2001	153	0.5
2002	145	0.4
2003	137	0.4
2004	130	0.4
2005	124	0.4
2006	117	0.4
2007	111	0.3
2008	105	0.3
2009	100	0.3
2010	95	0.3
2011	90	0.3



2012	85	0.3
2013	81	0.2
2014	76	0.2
2015	72	0.2
2016	69	0.2
2017	65	0.2
2018	62	0.2
2019	58	0.2
2020	55	0.2
2021	53	0.2
2022	50	0.2
2023	47	0.1
2024	45	0.1
2025	42	0.1
2026	40	0.1
2027	38	0.1
2028	36	0.1
2029	34	0.1
2030	32	0.1

If you need additional information please give me a call at (281) 293-1005. Thank you for your time.

Sincerely,



Deborah Marberry
Regulatory Analyst