



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

AZTEC DISTRICT OFFICE
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GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

August 23, 1996

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

Re: San Juan 28-7 Unit #231, 30-039-20992, E-16-28N-07W

Dear Jerry:

I received your letter dated June 4, 1996, in which you detailed mid-year production projections. Your recommended allocation based on annual mid-year production projections for the existing Basin Dakota and your attribution of any production over these projections to the Blanco Mesaverde is hereby approved for the referenced well.

Yours truly,


Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

SAN JUAN 28-7 UNIT NO. 231 DAKOTA PRODUCTION

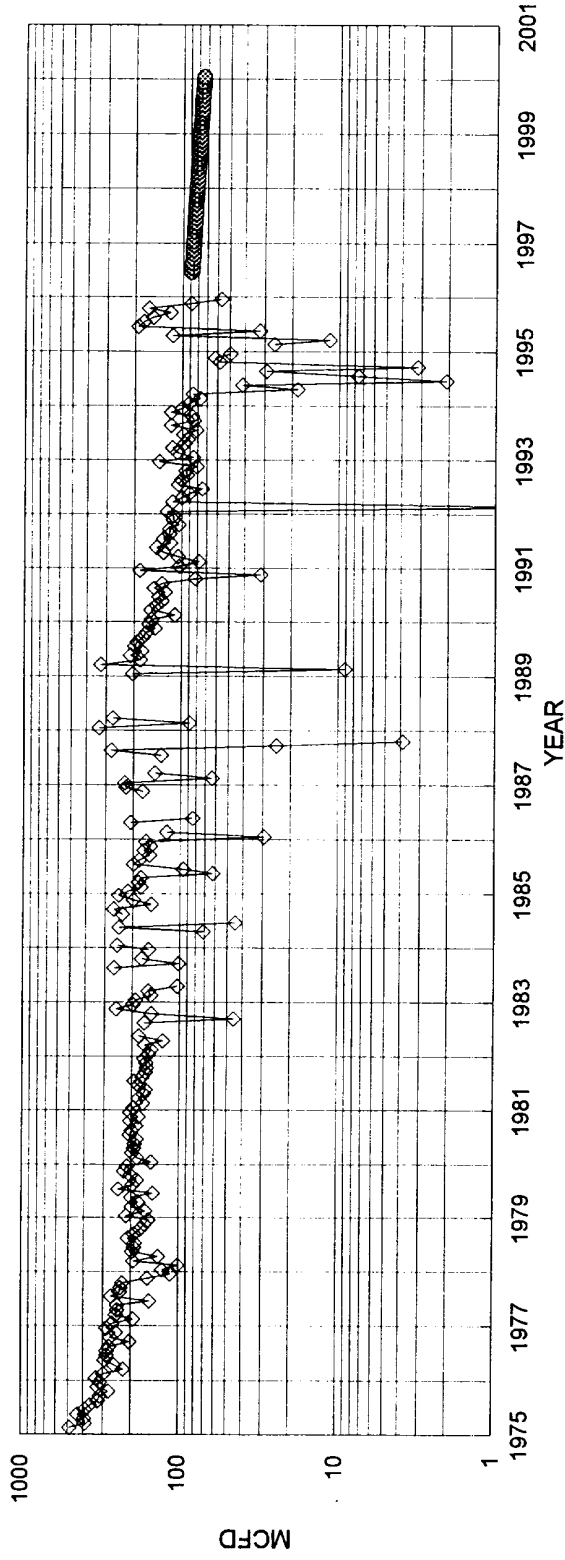
Unit E, Sec. 16, T-28N, R-7W

ANNUAL MID-YEAR DAKOTA PRODUCTION RATES TO ABANDONMENT

@ 4.5 % Annual Decline

YEAR	Mid-Year Avg. MCFGPD	Mid-Year Avg. BOPD
1996	87	1.19
1997	83	1.14
1998	79	1.09
1999	76	1.04
2000	72	0.99
2001	69	0.95
2002	66	0.90
2003	63	0.86
2004	60	0.82
2005	57	0.79
2006	55	0.75
2007	52	0.72
2008	50	0.68
2009	48	0.65
2010	46	0.62
2011	44	0.60
2012	42	0.57
2013	40	0.54
2014	38	0.52
2015	36	0.50
2016	35	0.47
2017	33	0.45
2018	32	0.43
2019	30	0.41
2020	29	0.39
2021	28	0.38
2022	26	0.36
2023	25	0.34
2024	24	0.33
2025	23	0.31

SAN JUAN 28-7 UNIT NO. 231 DAKOTA PRODUCTION
SECTION 16E-28N-07W



◇ DAKOTA MCFD — FIT MCFD

DAKOTA HISTORICAL DATA:		1ST PROD: 2/76
OIL CUM:	15.24 MBO	
GAS CUM:	1110.0 MMCF	
OIL YIELD:	0.0137 BBL/MCF	

DAKOTA PROJECTED DATA		88 MCFD
6/1/96 Qi:		
DECLINE RATE:	4.5% (EXPONENTIAL)	

*1996 AVG IS FOR 2ND HALF OF YEAR

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996*	87	1.19
1997	83	1.14
1998	79	1.09
1999	76	1.04
2000	72	0.99

CONTINUE DECLINE UNTIL ABANDONMENT

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLED ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT 000231

Retrieval Code: 251,039,28N07W16E00DK

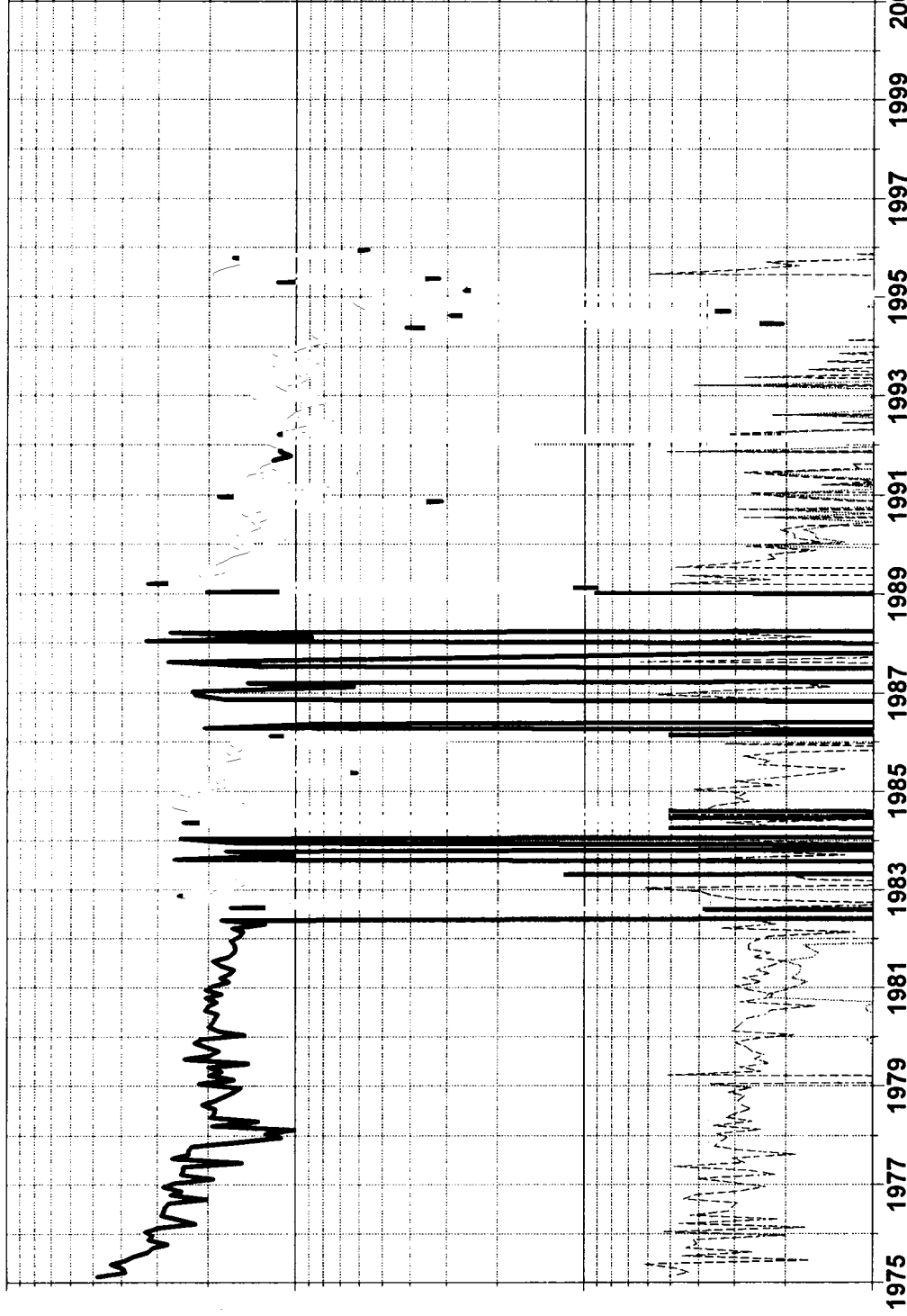
05/29/96

10³
10³
10³

10²
10²
10²

10
10

1
1



Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

Well Count

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 02/75

Oil Cum: 15.24 mbbl

Gas Cum: 1110 mmcf

Location: 16E 28N 7W