



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

**AZTEC DISTRICT OFFICE  
1800 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178 Fax (505) 334-6170**

**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 #255E, 30-039-22397, L-15-28N-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,

A handwritten signature in cursive script that reads "Ernie Busch".

Ernie Busch  
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

SAN JUAN 28-7 UNIT NO. 255E DAKOTA PRODUCTION

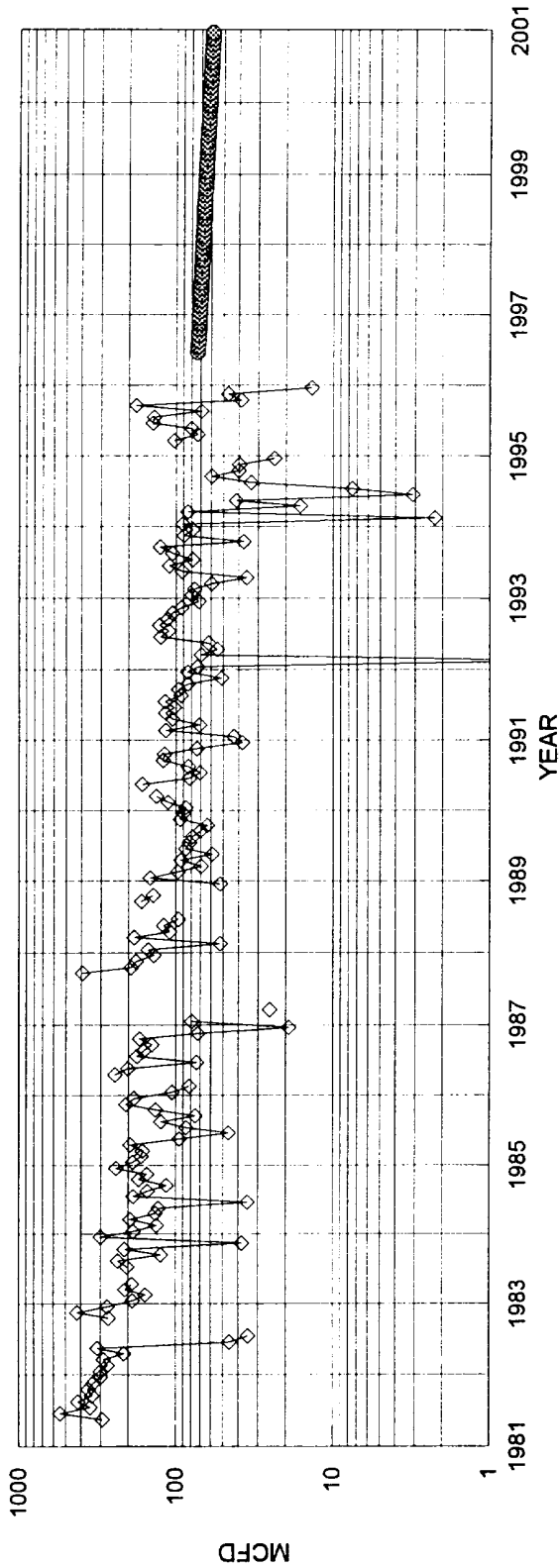
Unit L, Sec. 15, T-28N, R-7W

ANNUAL MID-YEAR DAKOTA PRODUCTION RATES TO ABANDONMENT

@ 4.5 % Annual Decline

| YEAR | Mid-Year<br>Avg. MCFGPD | Mid-Year<br>Avg. BOPD |
|------|-------------------------|-----------------------|
| 1996 | 61                      | 0.32                  |
| 1997 | 58                      | 0.31                  |
| 1998 | 56                      | 0.29                  |
| 1999 | 53                      | 0.28                  |
| 2000 | 51                      | 0.27                  |
| 2001 | 48                      | 0.25                  |
| 2002 | 46                      | 0.24                  |
| 2003 | 44                      | 0.23                  |
| 2004 | 42                      | 0.22                  |
| 2005 | 40                      | 0.21                  |
| 2006 | 38                      | 0.20                  |
| 2007 | 37                      | 0.19                  |
| 2008 | 35                      | 0.18                  |
| 2009 | 34                      | 0.18                  |
| 2010 | 32                      | 0.17                  |
| 2011 | 31                      | 0.16                  |
| 2012 | 29                      | 0.15                  |
| 2013 | 28                      | 0.15                  |
| 2014 | 27                      | 0.14                  |
| 2015 | 25                      | 0.13                  |
| 2016 | 24                      | 0.13                  |
| 2017 | 23                      | 0.12                  |
| 2018 | 22                      | 0.12                  |
| 2019 | 21                      | 0.11                  |
| 2020 | 20                      | 0.11                  |
| 2021 | 19                      | 0.10                  |
| 2022 | 18                      | 0.10                  |
| 2023 | 18                      | 0.09                  |
| 2024 | 17                      | 0.09                  |
| 2025 | 16                      | 0.08                  |

SAN JUAN 28-7 UNIT NO. 255E DAKOTA PRODUCTION  
SECTION 15L-28N-07W



◇ DAKOTA MCFD    — FIT MCFD

|                         |                |                |
|-------------------------|----------------|----------------|
| DAKOTA HISTORICAL DATA: |                | 1ST PROD: 5/81 |
| OIL CUM:                | 3.32 MBO       |                |
| GAS CUM:                | 629.3 MMCF     |                |
| OIL YIELD:              | 0.0053 BBL/MCF |                |

|                       |                    |
|-----------------------|--------------------|
| DAKOTA PROJECTED DATA |                    |
| 6/1/96 Qi:            | 61 MCFD            |
| DECLINE RATE:         | 4.5% (EXPONENTIAL) |

| YEAR  | MID-YEAR<br>AVG. MCFD | MID-YEAR<br>AVG. BOPD |
|-------|-----------------------|-----------------------|
| 1996* | 61                    | 0.32                  |
| 1997  | 58                    | 0.31                  |
| 1998  | 55                    | 0.29                  |
| 1999  | 53                    | 0.28                  |
| 2000  | 51                    | 0.27                  |

CONTINUE DECLINE UNTIL ABANDONMENT

\*1996 AVG IS FOR 2ND HALF OF YEAR

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

# Dwights

Lease: SAN JUAN 28 7 UNIT 00255E

05/29/96

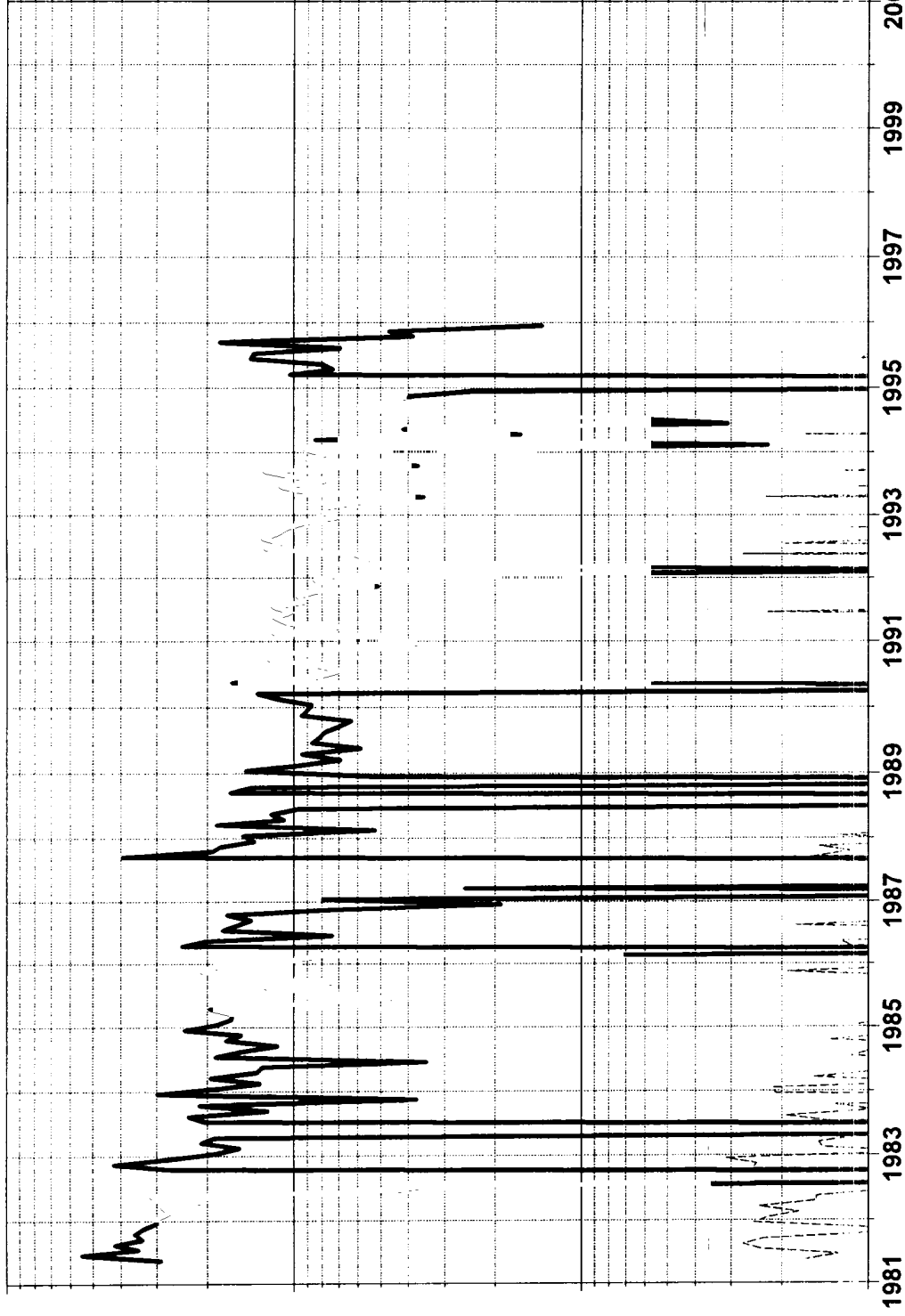
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Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

Well Count

County: RIO ARRIBA, NM

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

F.P. Date: 05/81

Oil Cum: 3323 bbl

Gas Cum: 629.3 mmcf

Location: 15L 28N 7W