



**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 #257E, 30-039-22623, O-19-28N-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 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

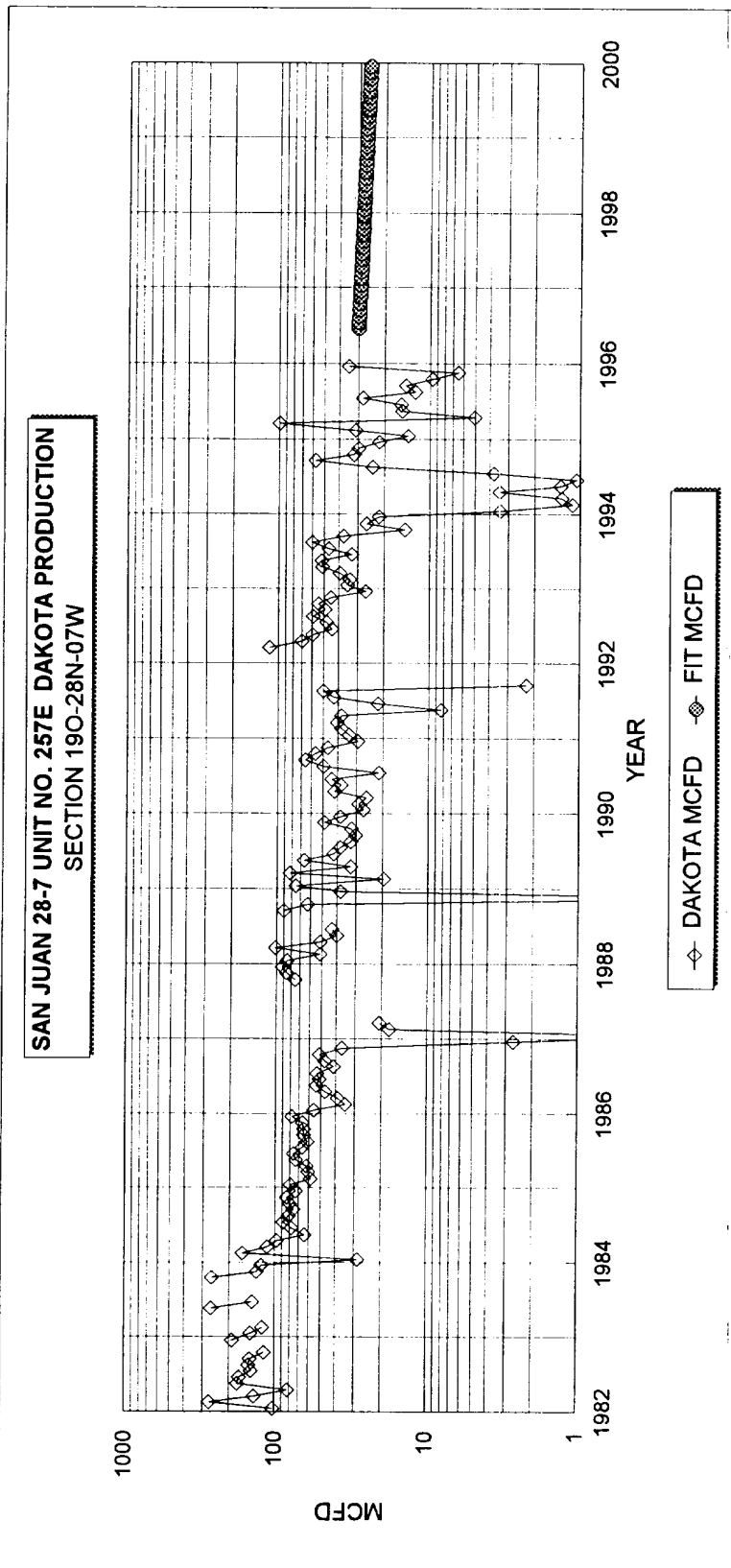
SAN JUAN 28-7 UNIT NO. 257E DAKOTA PRODUCTION

Unit O, Sec. 19, 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	30	0.22
1997	29	0.21
1998	27	0.20
1999	26	0.19
2000	25	0.18
2001	24	0.17
2002	23	0.17
2003	22	0.16
2004	21	0.15
2005	20	0.15
2006	19	0.14
2007	18	0.13
2008	17	0.13
2009	16	0.12
2010	16	0.12
2011	15	0.11
2012	14	0.11
2013	14	0.10
2014	13	0.10
2015	13	0.09
2016	12	0.09
2017	11	0.08
2018	11	0.08
2019	10	0.08
2020	10	0.07
2021	9	0.07
2022	9	0.07
2023	9	0.06
2024	8	0.06
2025	8	0.06



DAKOTA HISTORICAL DATA:		1ST PROD: 1/82
OIL CUM:	2.00 MBO	
GAS CUM:	288.8 MMCF	
OIL YIELD:	0.0074 BBL/MCF	
DAKOTA PROJECTED DATA		30 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*	30	0.22
1997	28	0.21
1998	27	0.20
1999	26	0.19
2000	25	0.18

CONTINUE DECLINE UNTIL ABANDONMENT

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLED ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT 00257E

Retrieval Code: 251,039,28N07W19O00DK

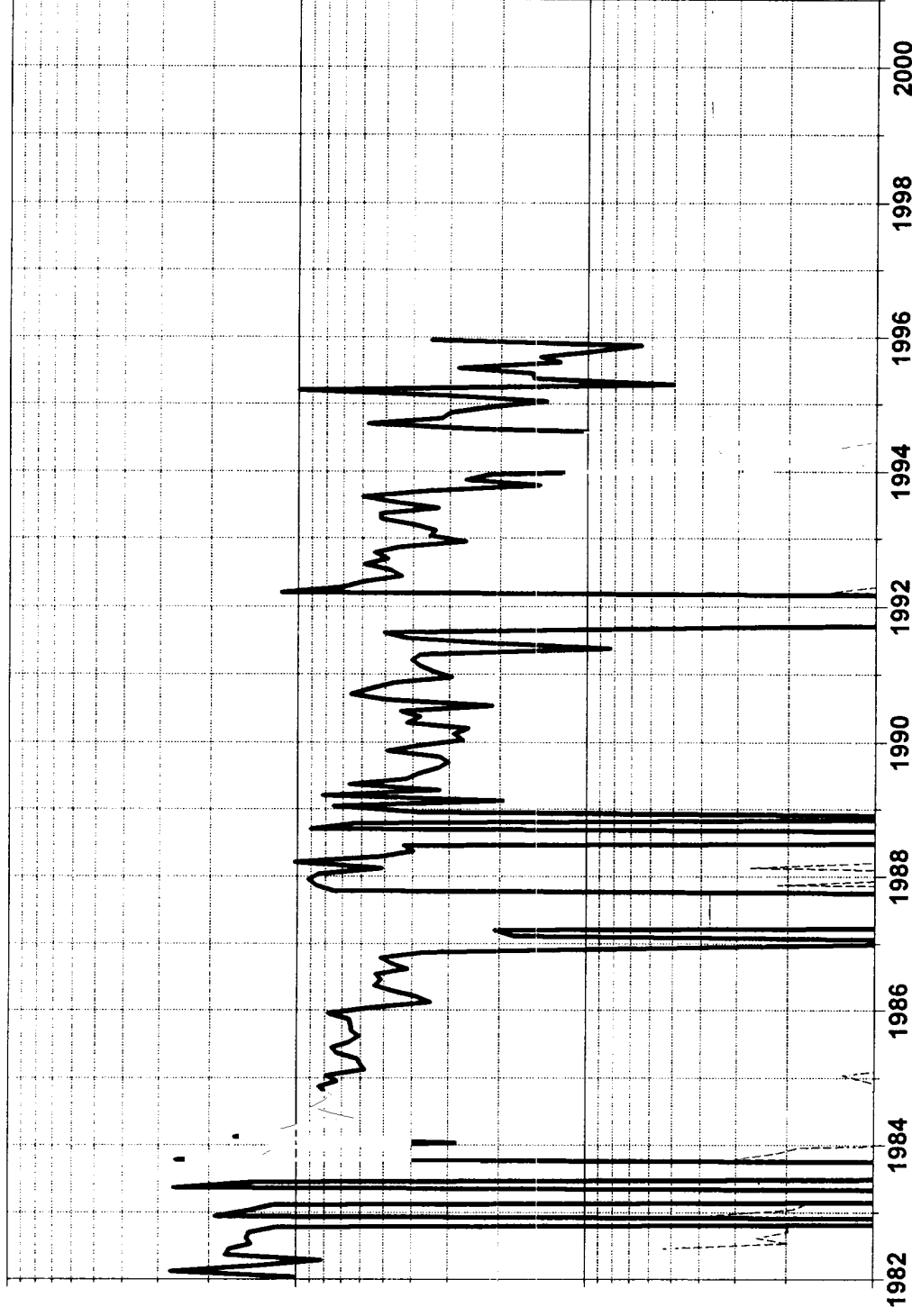
05/29/96

10³
10³
10³

10²
10²
10²

10
10
10

1
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: 01/82

Oil Cum: 1995 bbl

Gas Cum: 268.8 mmcf

Location: 19O 28N 7W