



**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 #194E, 30-039-22626, I-21-28N-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

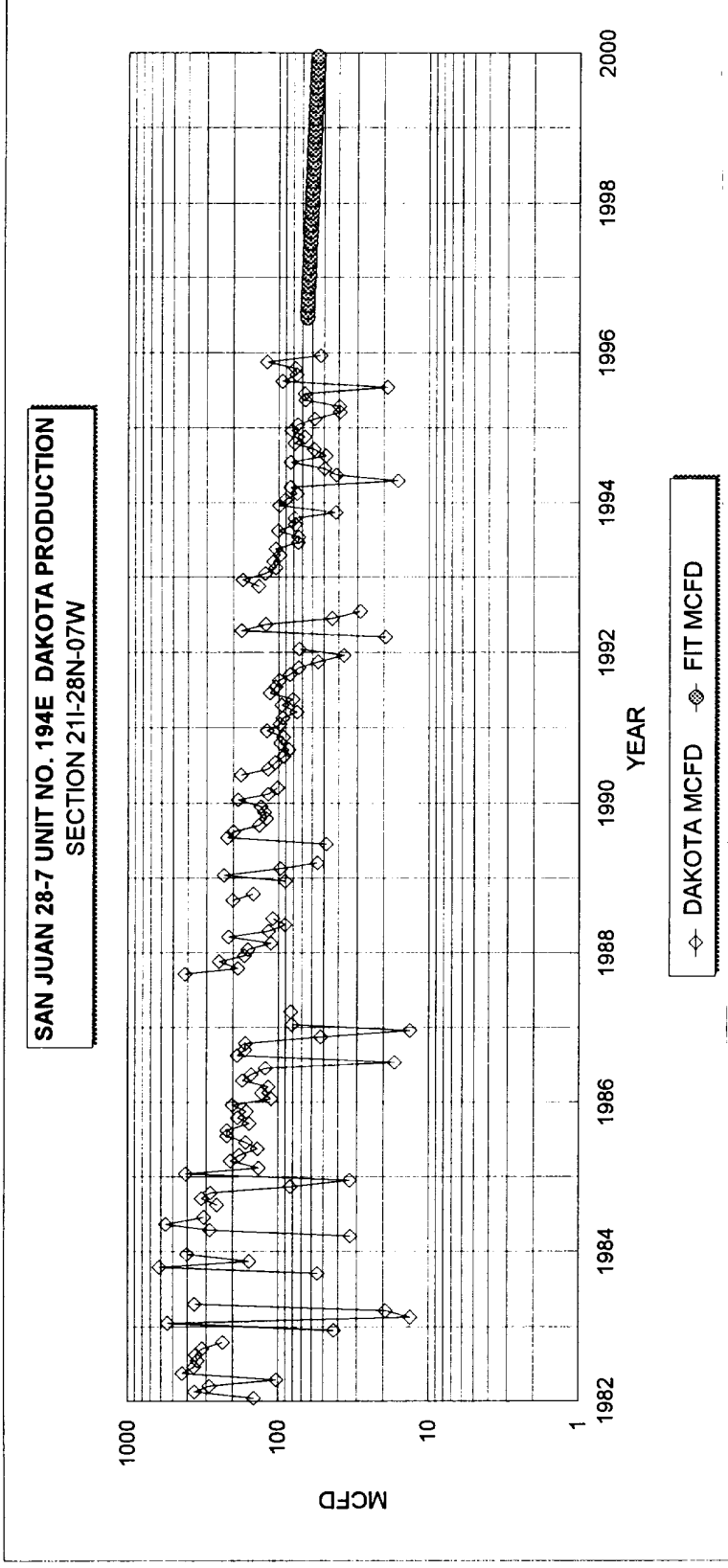
SAN JUAN 28-7 UNIT NO. 194E DAKOTA PRODUCTION

Unit I, Sec. 21, 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	64	0.49
1997	61	0.47
1998	58	0.45
1999	56	0.43
2000	53	0.41
2001	51	0.39
2002	49	0.37
2003	46	0.35
2004	44	0.34
2005	42	0.32
2006	40	0.31
2007	39	0.30
2008	37	0.28
2009	35	0.27
2010	34	0.26
2011	32	0.25
2012	31	0.23
2013	29	0.22
2014	28	0.21
2015	27	0.20
2016	25	0.20
2017	24	0.19
2018	23	0.18
2019	22	0.17
2020	21	0.16
2021	20	0.15
2022	19	0.15
2023	18	0.14
2024	18	0.13
2025	17	0.13



DAKOTA HISTORICAL DATA:		1ST PROD: 1/82	DAKOTA PROJECTED DATA
OIL CUM:	4.79 MBO		65 MCFD
GAS CUM:	626.1 MMCF		DECLINE RATE: 4.5% (EXPONENTIAL)
OIL YIELD:	0.0077 BBL/MCF		

*1996 AVG IS FOR 2ND HALF OF YEAR

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
1996*	64	0.49
1997	61	0.47
1998	59	0.46
1999	56	0.43
2000	53	0.41

CONTINUE DECLINE UNTIL ABANDONMENT

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

Dwights

Lease: SAN JUAN 28 7 UNIT 00194E

Retrieval Code: 251,039,28N07W2100DK

05/29/96

10³
10³
10³

10²
10²
10²

10
10

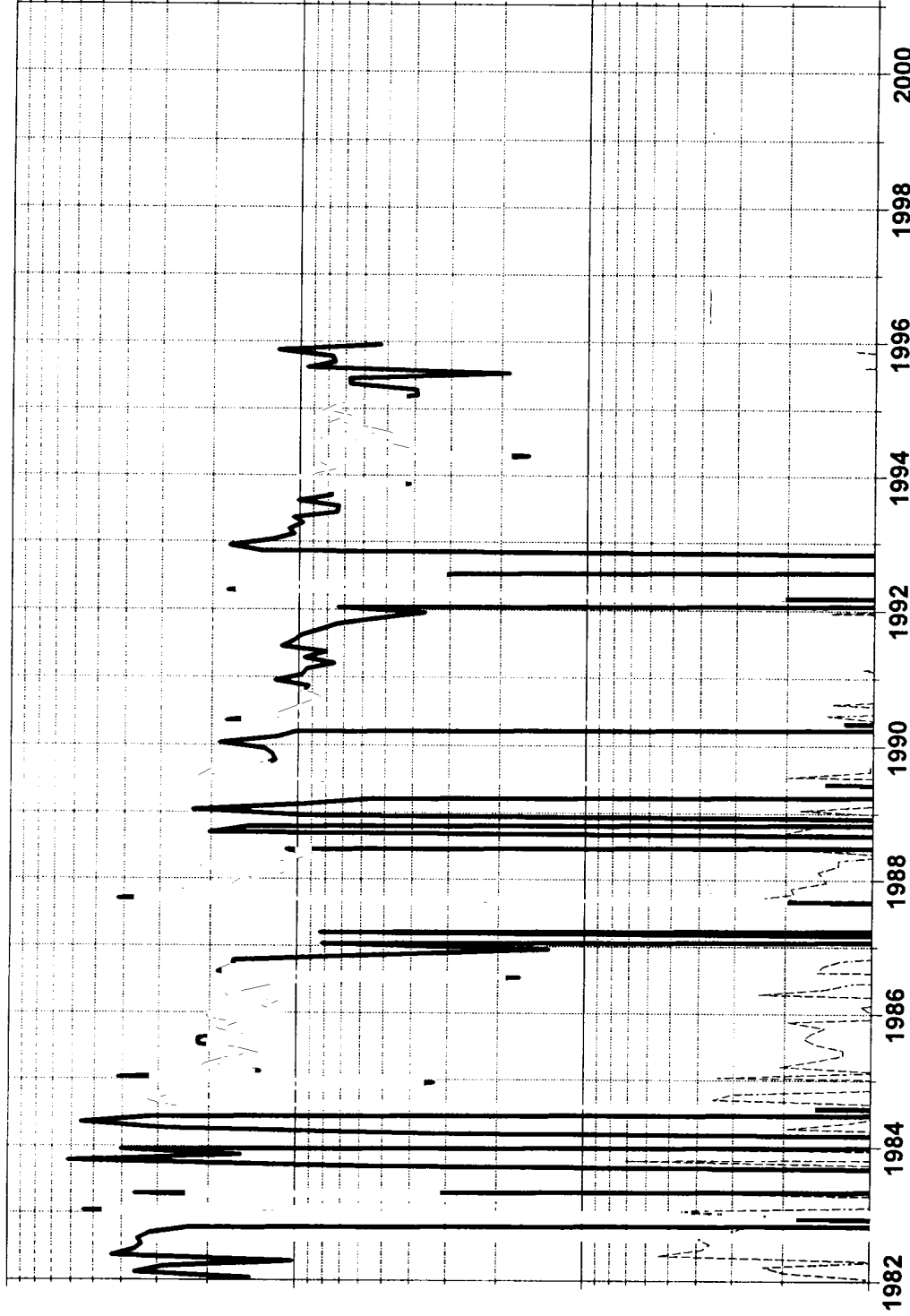
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1

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: 4789 bbl

Gas Cum: 625.1 mmcf

Location: 21 28N 7W