



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
AZTEC NM 87410
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[http://emnr.d.state.nm.us/ocd/District III/3district.htm](http://emnr.d.state.nm.us/ocd/District%20III/3district.htm)

GARY E. JOHNSON
GOVERNOR

Jennifer A. Salisbury
CABINET SECRETARY

November 19, 1997

Jerry W Hoover
10 Desta Dr Ste 100W
Midland TX 79705-4500

Re: San Juan 28-7 Unit # 225M, P-34-28N-07W, 30-039-25545, DHC

Dear Mr. Hoover:

Your recommended allocation of commingled production for the referenced well is hereby accepted as follows:

	Gas	Oil
Blanco Mesaverde	42%	64%
Basin Dakota	58%	36%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

281423140000



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

November 7, 1997

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

NOV 10 1997

OIL CON. DIV.
DIST. 3

Re: ALLOCATION for Downhole Commingling
Blanco Mesaverde and Basin Dakota Production
San Juan 28-7 Unit No. 225M, API #30-039-25545
Located in Unit P, Sec. 34, T-28N, R-7W

Dear Mr. Chaves:

The subject well was approved for downhole commingling by OCD Order R-10476 prior to being drilled. This order provided for the allocation to be submitted and approved by the District Supervisor of the Aztec OCD Office.

This well was initially drilled and completed in the Dakota. After producing for about three months, a plug was set over the Dakota completion and the Mesaverde was completed and produced for about three months until a decline trend was established. The attached plat shows the production volumes for each of these isolated test periods which were performed sequentially. However, these separate isolated test periods have been superimposed on the same plat so that they can be compared and evaluated for allocation purposes.

The square symbols represent Dakota production which stabilized to a decline trend that is projected by the solid line. Mesaverde production established a decline trend that is projected by the triangles. The two decline profiles are very similar and based on these projected declines the following fixed allocation factors are recommended:

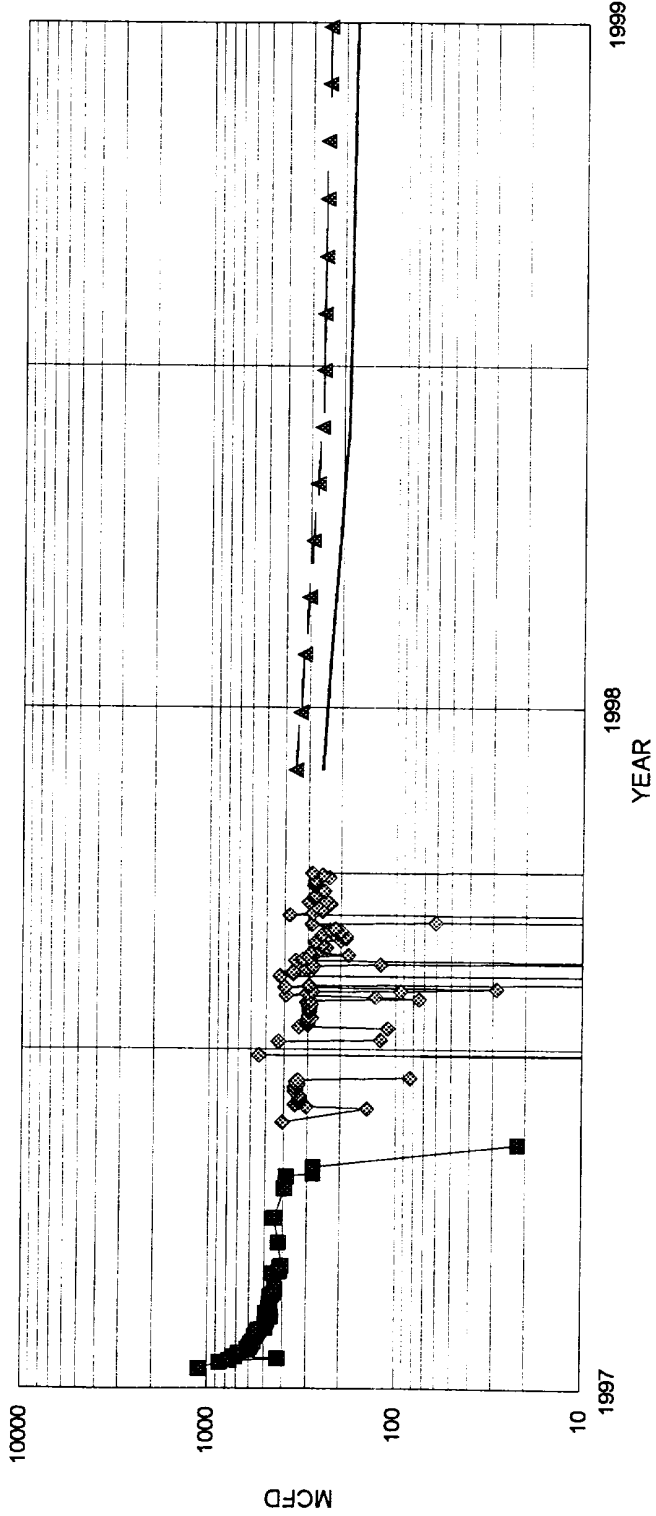
	Gas	Oil
Mesaverde	42%	64%
Dakota	58%	36%

If there are further questions concerning these factors, please contact me at (915) 686-6548

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

**SAN JUAN 28-7 UNIT NO. 225M MESAVERDE \ DAKOTA PRODUCTION
COMMINGLE ALLOCATION DATA**



■ DAKOTA MCFD ◆ MESAVERDE ▲ DAKOTA PROJECTED — MESAVERDE PROJECTED

FIXED COMMINGLE ALLOCATION

	% MV	%DK
1/1998	42%	58%
6/1998	42%	58%
12/1998	42%	58%
6/1999	42%	58%

NORMALIZED OIL PRODUCTION

MV STBO	DK STBO
662	373

	MV MCFD	DK MCFD	TOTAL
1/1998	230	321	551
6/1998	186	260	446
12/1998	176	246	422
6/1999	167	232	399

FIXED ALLOCATION; GAS → 58%
 FIXED ALLOCATION; OIL → 64%