



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE  
AZTEC NM 87410  
(505) 334-6178 FAX: (505) 334-6170  
[http://nemnrds.state.nm.us/ocd/District III/3ddistrict.htm](http://nemnrds.state.nm.us/ocd/District%20III/3ddistrict.htm)

GARY E. JOHNSON  
GOVERNOR

Jennifer A. Salisbury  
CABINET SECRETARY

February 10, 1998

Kay Maddox  
10 Desta Dr Ste 100W  
Midland TX 79705-4500

Re: San Juan 28-7 Unit #232M, I-20-28N-07W, API# 30-039-25693, DHC

Dear Ms. Maddox:

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

	Gas	Oil
Blanco Mesaverde	69%	92%
Basin Dakota	31%	8%

Future filings must include the well API number and Unit Letter, Section, Township and Range. If you have questions, please contact me.

Yours truly,

Ernie Busch  
District Geologist/Deputy O&G Inspector

EB/sh

cc: Duane Spencer-BLM Farmington  
well file

287232M. Jnc

CONOCO

Mid-Continent Region  
Exploration/Production

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

January 29, 1998

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

RE: Allocation for Downhole Commingling  
Blanco Mesaverde (72319) Basin Dakota (71599)  
San Juan 28-7 Unit Well # 232M  
Rio Arriba, New Mexico

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Administrative Order # DHC 1740 prior to being completed. 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, October 10, 1997. After producing for about 1 month a plug was set over the Dakota and the Mesaverde was completed November 13, 1997. The Mesaverde was produced for about 3 months until production was stabilized. The attached plat shows 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 symbol represents Dakota production which stabilized quickly and projects a stabilized decline trend. Mesaverde production stabilized after a couple of months as shown by the diamond symbols. The triangles represent the projected decline of the Dakota which is very similar to the Mesaverde decline as represented by the solid line.

Based on these stabilized projections the following fixed allocation factors are recommended:

	<u>GAS</u>	<u>OIL</u>
Mesaverde	69%	92%
Dakota	31%	8%

30-039-26693  
J-20-25N-07W  
**RECEIVED**  
FEB - 2 1998  
OIL CON. DIV.  
DIST. 3



**Mid-Continent Region**  
-2- Exploration/Production

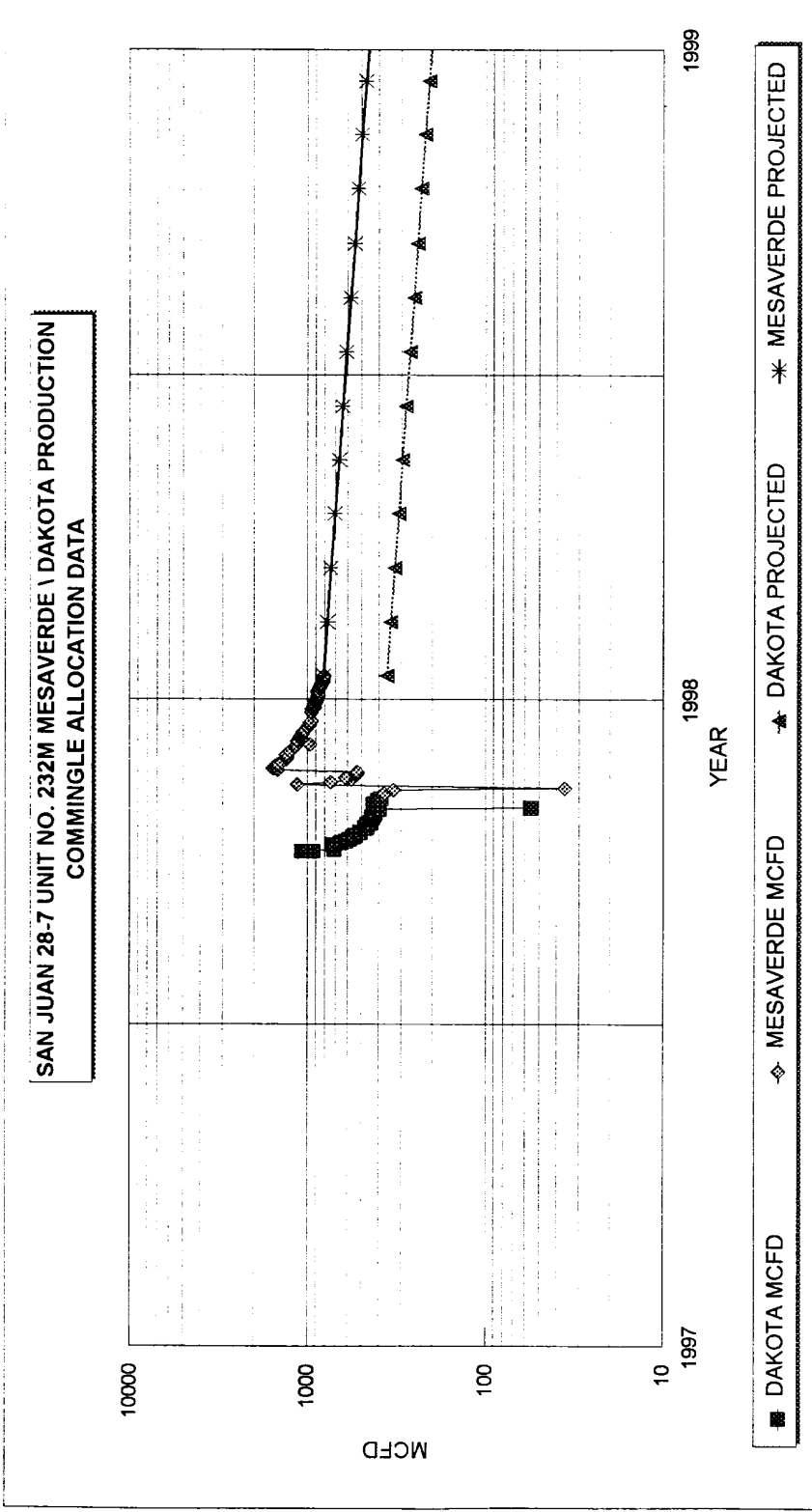
**Conoco Inc.**  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

If there are further questions concerning these factors, please contact me at (915) 686-5798. Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox  
Regulatory Agent



**NORMALIZED OIL PROD.**

MV STBO	DK STBO
293	26

**FIXED COMMINGLE ALLOCATION**

	% MV	%DK
TOTAL	69%	31%

2/1998	777	344	1120
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% MV	%DK
69%	31%
92%	8%

FIXED ALLOCATION: GAS----->  
FIXED ALLOCATION: OIL----->

**Mid-Continent Region**  
Exploration/Production

**Conoco Inc.**  
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Midland, TX 79705-4500  
(915) 686-5400

January 29, 1998

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

**RECEIVED**  
FEB - 2 1998  
**OIL CON. DIV.**  
DIST. 6

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-2- Exploration/Production

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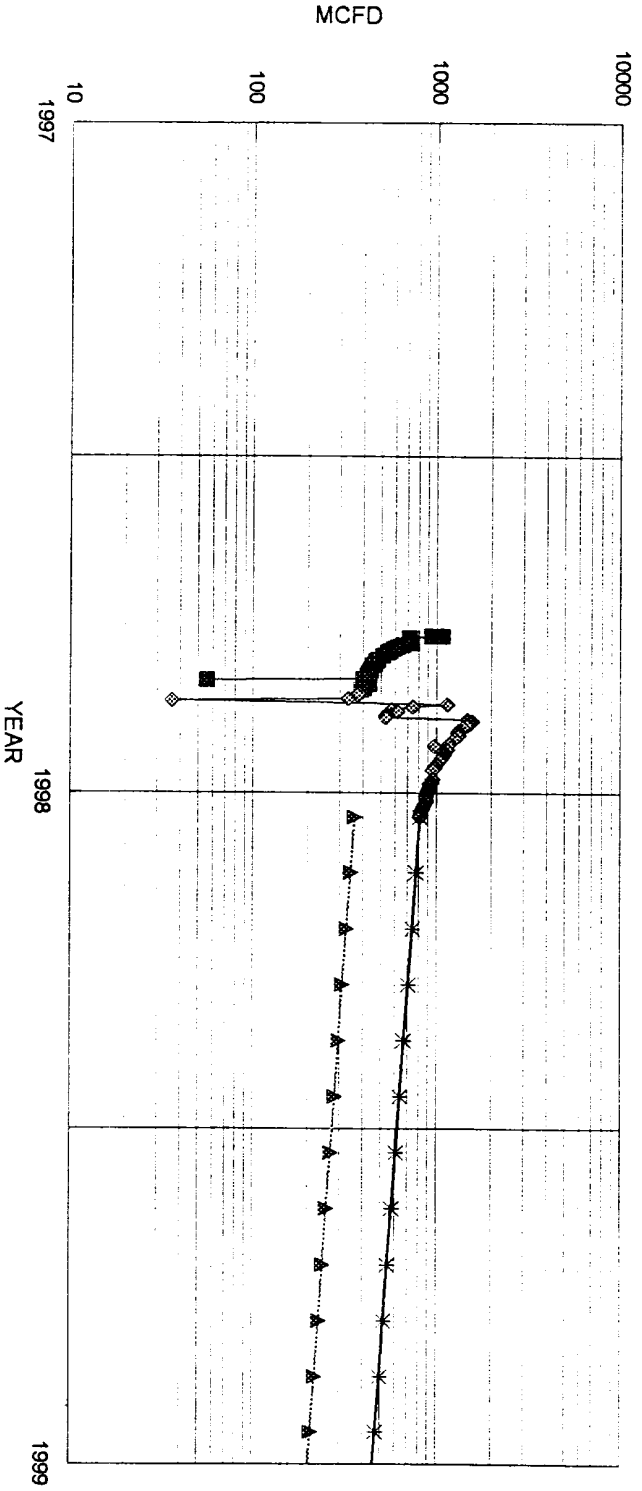
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A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox  
Regulatory Agent

SAN JUAN 28-7 UNIT NO. 232M MESAVERDE \ DAKOTA PRODUCTION  
COMMINGLE ALLOCATION DATA



■ DAKOTA MCFD    ◆ MESAVERDE MCFD    ▲ DAKOTA PROJECTED    \* MESAVERDE PROJECTED

FIXED COMMINGLE ALLOCATION			
MV MCFD	DK MCFD	TOTAL	
2/1998 777	344	1120	
			% MV
			69%
			% DK
			31%

NORMALIZED OIL PROD.	
MV STBO	DK STBO
293	26

FIXED ALLOCATION: GAS  
FIXED ALLOCATION: OIL

% MV	% DK
69%	31%
92%	8%