



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE  
AZTEC NM 87410  
(505) 334-6178 FAX: (505) 334-6170  
[http://nemnr.state.nm.us/ocd/District III/district.htm](http://nemnr.state.nm.us/ocd/District%20III/district.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 #226M, D-36-28N-07W, API# 30-039-25694, DHC

Dear Ms. Maddox:

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

	Gas	Oil
Blanco Mesaverde	72%	59%
Basin Dakota	28%	41%

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

28726101. dh c



Mid-Continent Region  
Exploration/Production

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

January 29, 1998

30-039-25694

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

RECEIVED  
FEB - 2 1998

RE: Allocation for Downhole Commingling  
Blanco Mesaverde (72319) Basin Dakota (71599)  
San Juan 28-7 Unit Well # 226M  
Rio Arriba, New Mexico

OIL CON. DIV.  
DIST. 3

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Administrative Order # DHC 1738 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 15, 1997. After producing for about 1 month a plug was set over the Dakota and the Mesaverde was completed November 11, 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	72%	59%
Dakota	28%	41%

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

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

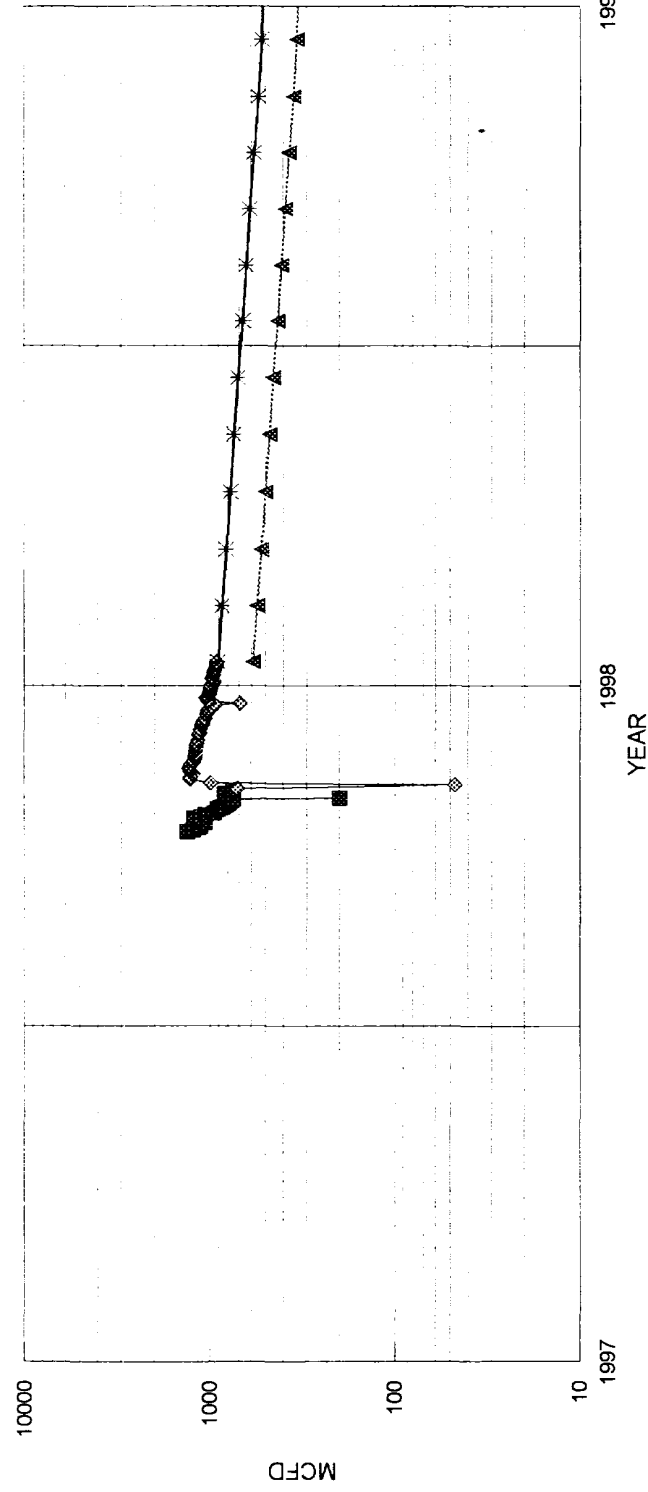
If there are further questions concerning these factors, please contact me at (915) 686-5798. Thank you.

Sincerely yours,



Kay Maddox  
Regulatory Agent

SAN JUAN 28-7 UNIT NO. 226M MESAVERDE \ DAKOTA PRODUCTION  
COMMINGLE ALLOCATION DATA



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

FIXED COMMINGLE ALLOCATION			
MV MCFD	DK MCFD	TOTAL	%DK
858	337	1194	28%

NORMALIZED OIL PROD.			
MV STBO	DK STBO		
125	87		

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

%MV	%DK
72%	28%
59%	41%

January 29, 1998

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Oil Conservation Division  
1000 Rio Brazos Rd  
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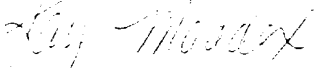
	<u>GAS</u>	<u>OIL</u>
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Dakota	28%	41%

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-2 Exploration/Production

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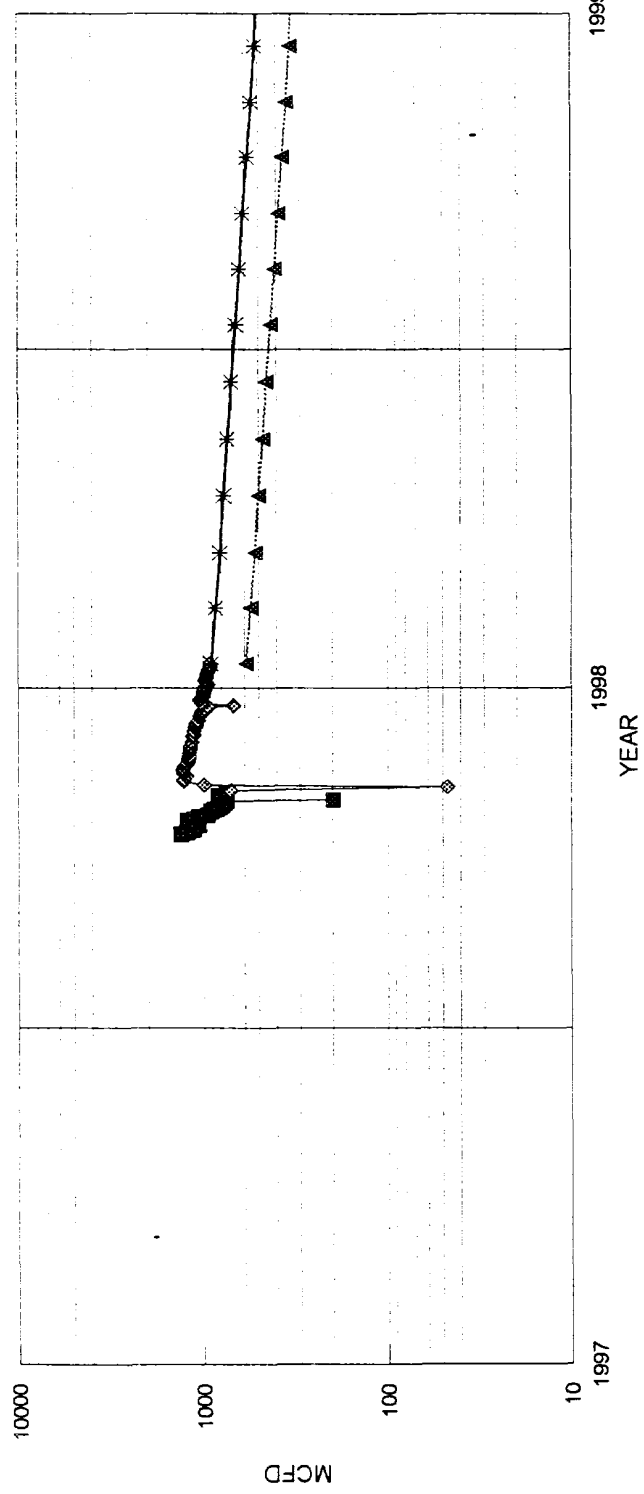
If there are further questions concerning these factors, please contact me at (915) 686-5798. Thank you.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Kay Maddox".

Kay Maddox  
Regulatory Agent

SAN JUAN 28-7 UNIT NO. 226M MESAVERDE | DAKOTA PRODUCTION  
COMMINGLE ALLOCATION DATA



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

FIXED COMMINGLE ALLOCATION			
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			% MV    %DK
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NORMALIZED OIL PROD.		
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FIXED ALLOCATION: GAS----->  
FIXED ALLOCATION: OIL----->

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