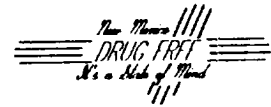




STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

January 31, 1992

Mr. George Dunn
Meridian Oil Inc
PO Box 4289
Farmington, NM 87499

Re: Grambling A #3 G-28-28N-8W

Dear Mr. Dunn:

Your recommended allocation of commingled production to referenced well is hereby approved as follows:

	Gas	Oil
Otero Chacra	65%	0%
Blanco Mesaverde	35%	100%

Sincerely,

Frank T. Chavez, District Supervisor

FTC/sh

cc Santa Fe
transporters

MERIDIAN OIL

January 29, 1992

RECEIVED
JAN 30 1992
OIL CON. DIV.
DIST. 3

New Mexico Oil Conservation Division
Mr. Frank T. Chavez, District Supervisor
Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: Administrative Order #DHC-817
Grambling A #3
Unit G, Section 28, T28N, R08W
San Juan County, New Mexico

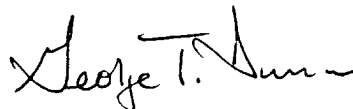
Dear Mr. Chavez:

The subject well was completed in the Otero Chacra and downhole commingled with the Blanco Mesaverde in October, 1991, as per the NMOCD Order #DHC-817. Based on tests taken during completion of the Chacra and the ultimate reserves of nearby Chacra and Mesaverde wells, the following oil and gas production allocation on the subject well's commingled zones would be reasonably accurate:

	<u>GAS</u>	<u>OIL</u>
Otero Chacra:	65%	0%
Blanco Mesaverde:	35%	100%

The attached calculation sheet shows the criteria used to arrive at these percentages. Please let us know if this allocation meets with your approval.

Sincerely,



George T. Dunn
Regional Production Engineer

LKS:tg
attachment

cc: Wellfile
L.L. Byars

CALCULATIONS FOR GRAMBLING A #3

Commingled
Blanco Mesaverde
Otero Chacra

GAS

Pitot Gauge CH only: 1236 MCF/D
Pitot Gauge MV and CH: 1898 MCF/D: $MV = 1898 - 1236 = 662$ MCF/D

GAS ALLOCATION

Chacra	65%
Mesaverde	<u>35%</u>
TOTAL	100%

OIL

Chacra does not produce oil in this area so all oil production will be allocated to the Mesaverde.

OIL ALLOCATION

Mesaverde	100%
Chacra	0%