



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

AZTEC DISTRICT OFFICE  
1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178 Fax (505) 334-6170

GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

February 2, 1996

Mr K K Killion  
Meridian Oil Inc  
PO Box 4289  
Farmington NM 87499

Re: Schultz Com D #8 A-16-29N-10W, 30-045-08388

Dear Mr. Killion:

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

<u>Pool</u>	<u>Gas</u>	<u>Oil</u>
Basin Fruitland Coal	100%	100%
Aztec Pictured Cliffs	0%	0%

Sincerely,

Frank T. Chavez  
District Supervisor

FTC\sh

Schultz 8. -

**MERIDIAN OIL**  
A Subsidiary of BURLINGTON RESOURCES

January 25, 1996

Mr. Frank Chavez  
N.M. Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, N.M. 87401

Re: Commingling Allocation  
Schultz Com D #8  
990' FNL 1190' FEL  
Sec. 16, T29N, R10W  
San Juan County, N.M.

RECEIVED  
JAN 26 1996  
OIL CON. DIV.  
DIST. 3

Dear Frank,

We have reviewed the gas tests on our Schultz Com D #8 which is a commingled Basin-Fruitland Coal and Aztec-Pictured Cliffs well, as per N.M.O.C.D. order #R-10280. Based on tests taken during completion operations from the Pictured Cliffs and Fruitland Coal zones, we feel that the following gas production allocation of the subject well's commingled zones would be reasonably accurate:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Fruitland Coal	100%	0%
Pictured Cliffs	0%	0%

Please let us know if this percentage allocation meets with your approval.

Sincerely,

*Koby K. Kill*

K. K. Killion  
Production Engineer

KKK:kkk  
attachment

**Calculations For Schultz Com D #8**

Commingled  
Basin-Fruitland Coal  
Aztec-Pictured Cliffs

Pitot gauges were taken during completion operations while the rig was on location.

**GAS**

Pitot Gauge PC only (1/1/96):	TSTM
Pitot Gauge FRTC (1/5/96):	1048 Mcf/d
Pitot Gauge PC + FRTC (1/6/96):	970 Mcf/d

**GAS ALLOCATION**

Fruitland Coal =  $970/970 = 100\%$

Pictured Cliffs =  $0/970 = 0\%$

**OIL**

Since the Pictured Cliffs does not make oil, any oil production will be attributed to the Fruitland interval.