



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

March 17, 1998

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

Re: Dustin #1E, J-06-29N-12W, API# 30-045-24773, DHC

Dear Ms. Maddox:

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

	Gas	Oil
Chacra	03%	0%
Basin Dakota	97%	100%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: Duane Spencer-BLM Farmington
well file

dustinle.dha



Mid-Continent Region
Exploration/Production

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

February 16, 1998

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

RECEIVED
FEB 19 1998

OIL CON. DIV.
DIST. 3

RE: Allocation for Downhole Commingling
Dustin # 1-E Section 6, T-29-N, R-12-W, J
API # 30-045-24773
San Juan County, New Mexico

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Order # R-6653. This order was issued to Pioneer Production Corporation in 1981. A condition of the order was to consult with the Aztec office to determine an allocation formula. Since this order was issued, the property was sold to Mesa and then to Conoco, Inc.

Conoco, in August 1993, requested and was granted a temporary allocation formula (copy attached), subject to a new allocation formula being submitted after three months taking into account the current rate of production and the expected decline rate.

Regretfully, a new allocation formula was never submitted. We are now submitting a new proposed allocation based on production throughout the last 6 years.

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

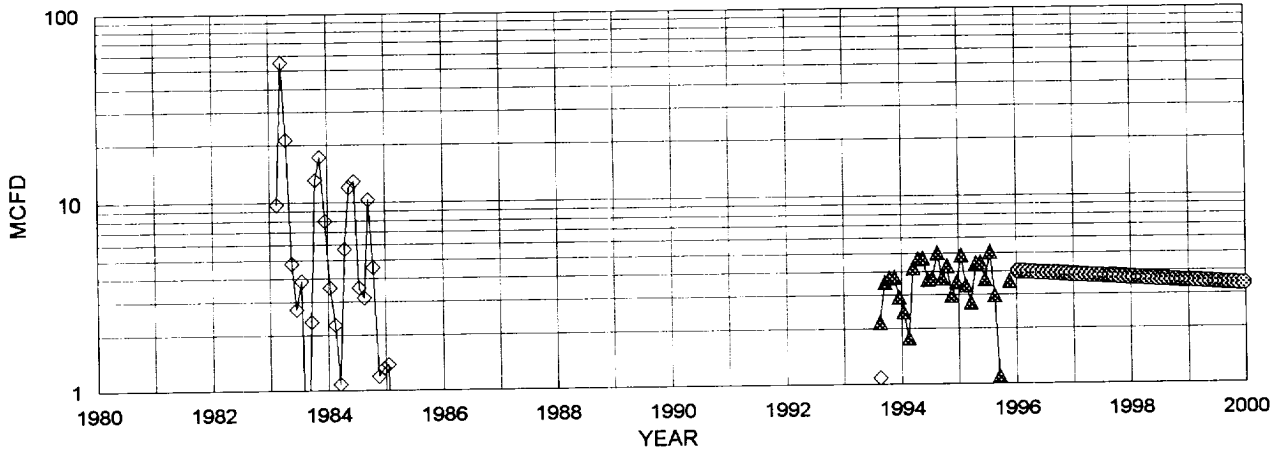
	<u>GAS</u>	<u>OIL</u>
Chacra	3%	0%
Dakota	97%	100%

If there are any further questions concerning these factors, please contact me at (915) 697-2091. We are very sorry for our negligence in handling the allocation percentages for this well.

Sincerely yours,

Kay Maddox
Kay Maddox
Regulatory Agent

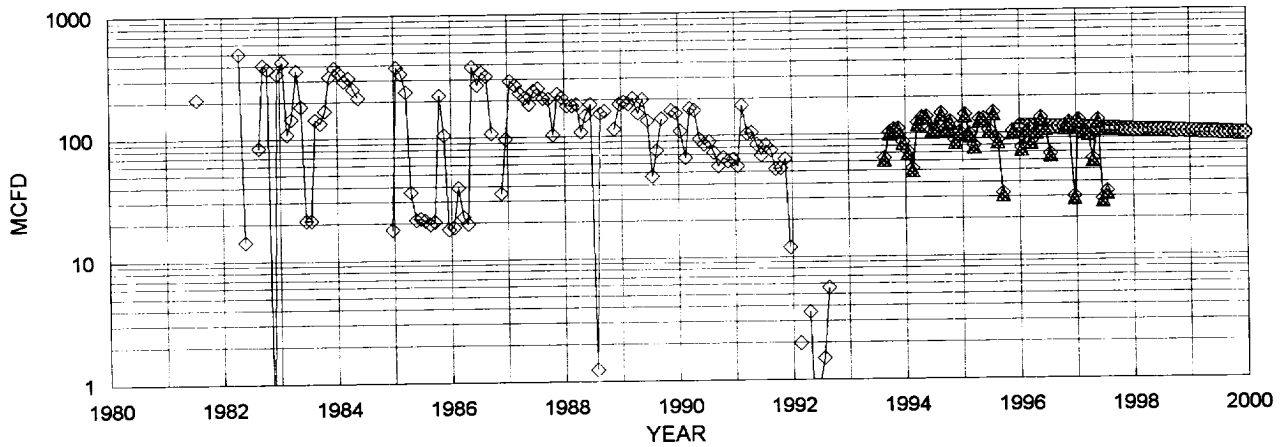
**DUSTIN 1E CHACRA
SECTION 6J-29N-12W**



◇ CHACRA MCFD ○ FIT MCFD ▲ RE-ALLOCATED MCFD

CHACRA HISTORICAL DATA:		1ST PROD: 2/83	CHACRA PROJECTED DATA	
OIL CUM:	0.00 MBO		1/1/98 Qi:	4 MCFD
GAS CUM:	7.5 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0000 BBL/MCF			

**DUSTIN 1E DAKOTA
SECTION 6J-29N-12W**



◇ DAKOTA MCFD ○ FIT MCFD ▲ RE-ALLOCATED MCFD

DAKOTA HISTORICAL DATA		1ST PROD: 2/83	DAKOTA PROJECTED DATA	
OIL CUM:	2.3 MBO		1/1/98 Qi:	104 MCFD
GAS CUM:	642.9 MMCF		DECLINE RATE:	4.0% (EXPONENTIAL)
OIL YIELD:	0.0036 BBL/MCF			

FIXED COMMINGLE ALLOCATION FACTORS:		
	GAS	OIL
CHACRA:	3%	0%
DAKOTA	97%	100%

GAS ALLOCATION BASED ON PROJECTED 1998 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS
NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA