

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

AZTEC DISTRICT OFFICE
OIL CONSERVATION DIVISION
1000 RIO BRAZOS ROAD
AZTEC /IM 87410-1614
(505) 334-578 FAX: (505) 334-6170
http://lemnrd.state.jim.us/ocd/District III/3distric.htm

GARY E. JOHNSON

Jennifer A. Salisbury

August 17, 1998

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

Re:

Stewart A Com #2M, D-32-30N-10W, API 30-045-29521

Dear Ms. Maddox:

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

	Gas	Oil
Blanco Mesaverde	87%	75%
Basin Dakota	13%	25%

Yours truly,

Ernie Busch

District Geologist/Deputy O&G Inspector

EB/mk

cc: Jim Lovato BLM-Farmington

David Catanach-NMOCD Santa Fe

well file

STEWRTZM. DHC

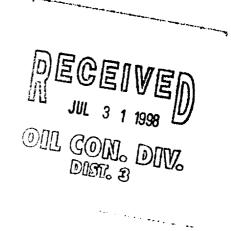


Mid-Continent Region Exploration/Production

July 29, 1998

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

RE: Allocation for Downhole Commingling Stewart "A" COM #2M API # 30-045-29521 Section 32, T-30-N, R-10-W, D San Juan County, New Mexico Blanco Mesaverde (72319) Basin Dakota (71599) DHC Order # 1977 Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400



Dear Mr. Chavez.

The Mesaverde was tested in this newly drilled well July 22, 1998. The Dakota was tested July 24, 1998. The Mesaverde and Dakota were commingled July 25, 1998. Conoco, Inc. respectfully requests that production from this well be allocated as indicated by the test data below.

	MCFD	BOPD	BWPD	GAS %	OIL %
Mesaverde	2409	2	25	.874	.745
Dakota	347 .	1	5	.126	.255
Total	2756	3	30		

From the 9 Section offset data that was supplied with the original commingle application, (C107A) the average condensate yield for Mesaverde is .0021 B/MCF and for DK .0050 B/MCF. Oil allocation is based in the average yield from offsets as follows:

	Offset B/MCF	Tst MCFD	Calc BOPD	Calc OIL %
Mesaverde	.0021	2409	5.06	.745
Dakota	.0050	347	1.73	.255

Total

6.79



Mid-Continent Region

Exploration/Production

Conoco Inc. 10 Desta Drive, Suite 100W

Midland, TX 79705-4500 (915) 686-5400 If there any further questions regarding this request please contact me @ (915) 686-5798. Thank you.

Sincerely yours,

Regulatory Agent- Conoco, Inc.

KM/