

SAN JUAN DIVISION

November 14, 1998

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

Re:

San Juan 32-9 Unit #41A

Unit P, Section 31, T-32-N, R-9-W, San Juan

30-045-29129

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order/DHC-1492 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -

63 % gas

71 % oil

Pictured Cliffs -

37 % gas

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29 % oil

These percentages are based on historic production from both the Mesa Verde and Pictured Cliffs.

Please let me know if you have any questions.

Sincerely.

Peggy Bradfield

Regulatory/Compliance Administrator

XC:

Bureau of Land Management

NMOCD - Santa Fe

San Juan 32-9 Unit #41A Unit P, Section 31, 32N – 9W San Juan County, New Mexico

Production Allocation

Commingle Date: 5/14/97

GAS

Pre-Commingle Rates (4/97)

Mesaverde Rate: 166 MCF/D
Pictured Cliffs Rate: 166 MCF/D
Total: 332 MCF/D

Post Commingle Total Production (6/97) = 446 MCF/D Uplift = 114 MCF/D

Post Commingle Rates (Allocated):

Mesaverde Rate 280 MCF/D 63% Pictured Cliffs Rate 166 MCF/D 37%

OIL

Mesaverde Production:	1479	bbl	71%
Pictured Cliffs Production:	615	bbl	29%
Total:	1479	bbl	100%

When this well was commingled, a piece of a swab mandrel was found in the F-Nipple of the Mesaverde string of tubing. This piece of a mandrel was restricting the flow from the Mesaverde. Therefore, the past production is not valid for allocation purposes. To determine the allocation percentages, all the uplift, from the commingle, was given to the Mesaverde. The precommingle rates were the daily average from the month of April 1997. and the post commingle rate was the daily average from the month of June 1997. The uplift was added to daily average from April for the post commingle rate for the Mesaverde. The rate for the Pictured Cliffs remained the same.