



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

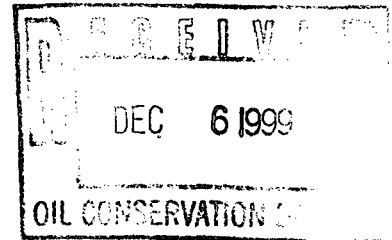
OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 22, 1999

Conoco Inc.
P.O. Box 2197
DU 3066
Houston, Texas 77252-2197

Attention: Ms. Deborah Moore

Re: DHC Application
San Juan 28-7 Unit No. 52



Dear Ms. Moore:

With regards to the above-described downhole commingling application, please submit a description of the data utilized to determine the allocation of production to each of the zones. The approximate rate of production, as shown on the C-107-A, does not support the proposed percentages.

Your application will be processed upon receipt of this data. If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

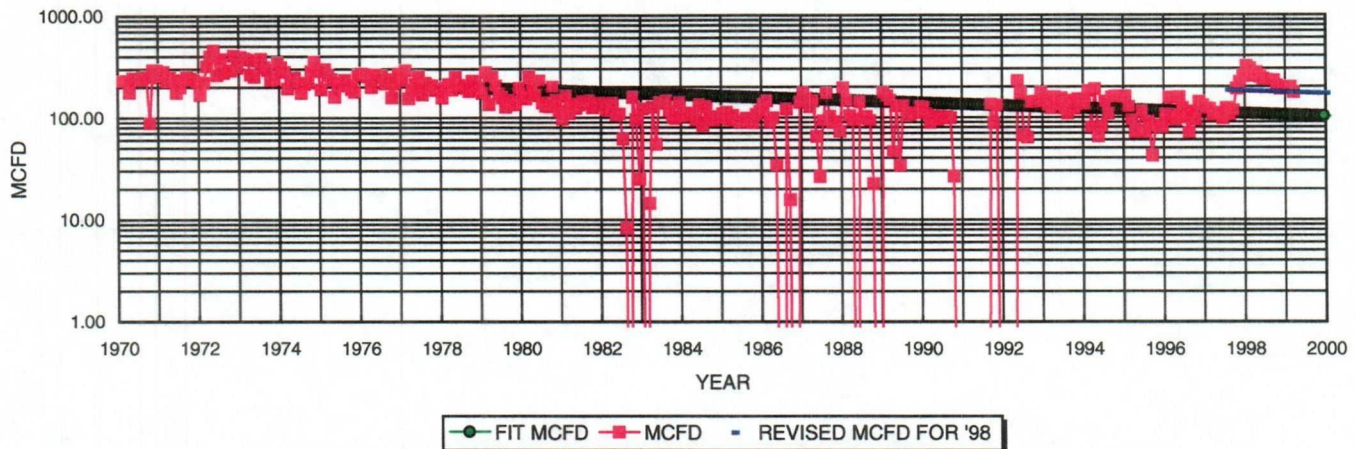
Xc: OCD-Aztec

David:

In response to your letter please find attached our decline curve. If you have any questions please give me a call at (281) 293-1005.

Hebbie

**SAN JUAN 28-7 #52 MESAVERDE PRODUCTION
SECTION 27H-28N-07W**



MESAVERDE HISTORICAL DATA:

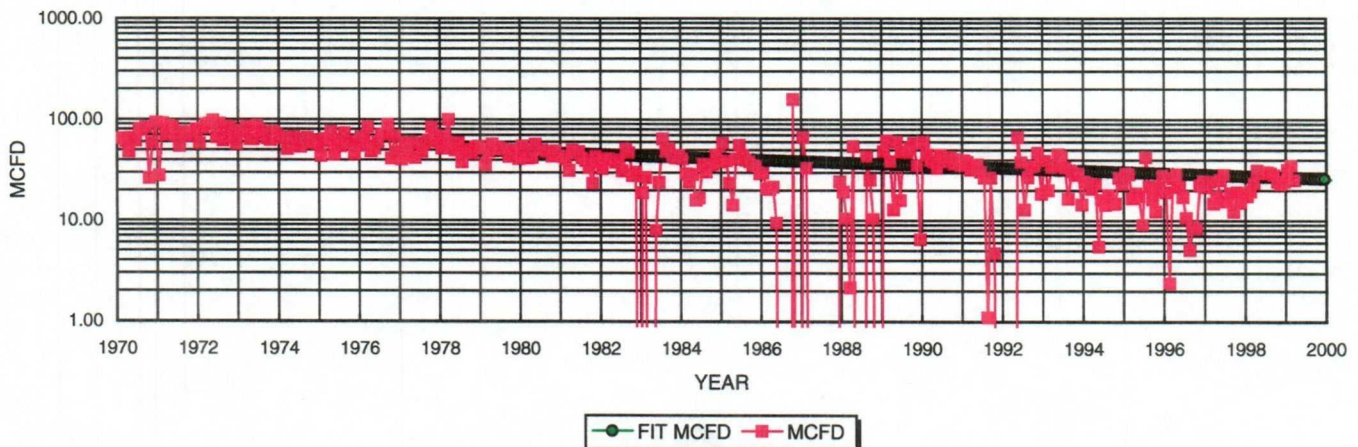
1ST PROD: 02/57

OIL CUM: 16.44 MBO
GAS CUM: 3044.1 MMCF
OIL YIELD: 0.0054 BBL/MCF

MESAVERDE PROJECTED DATA:

09/01/99 Qi: 176 MCFD
DECLINE RATE: 3.0% (EXPONENTIAL)

**SAN JUAN 28-7 #52 PICTURED CLIFFS PRODUCTION
SECTION 27H-28N-07W**



PICTURED CLIFFS HISTORICAL DATA:

1ST PROD: 11/59

OIL CUM: 0.0 MBO
GAS CUM: 701.5 MMCF
OIL YIELD: 0.0000 BBL/MCF

PICTURED CLIFFS PROJECTED DATA:

09/01/99 Qi: 27 MCFD
DECLINE RATE: 3.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE	87%	100%
PICTURED CLIFFS	13%	0%

API # 30-039-07315

GAS ALLOCATION BASED ON PROJECTED 1999 RATES
OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA

Note - allocation is based on the most current production from the Mesaverde (1998+)