



Case # 11349

Mid-Continent Region  
Exploration/Production

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

October 28, 1997

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

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Re: ALLOCATION for Downhole Commingling  
Blanco Mesaverde and Basin Dakota Production  
in the San Juan 28-7 Unit No. 130M

Dear Mr. Chaves:

The subject well was approved for downhole commingling and drilling at an unorthodox location by OCD Order No. R-10476 prior to being drilled. This order provided for the allocation to be submitted and approved by the District Supervisor of the Aztec OCD Office.

This well was initially drilled and completed in the Dakota. After producing for 3 months, a plug was set over the Dakota and the Mesaverde was completed and produced for an almost 6 months until production stabilized. The attached plat shows the production volumes for each of these isolated test periods which were performed sequentially. However, these separate, isolated test periods have been superimposed on the same plat so that they can be compared and evaluated for allocation purposes.

The square symbols represent Dakota production whose rate stabilized in a matter of days. Mesaverde production stabilized after about 4 months as shown by the diamond symbols. The triangles represent the projected decline of the Dakota which is very similar to the Mesaverde decline as represented by the solid line.

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

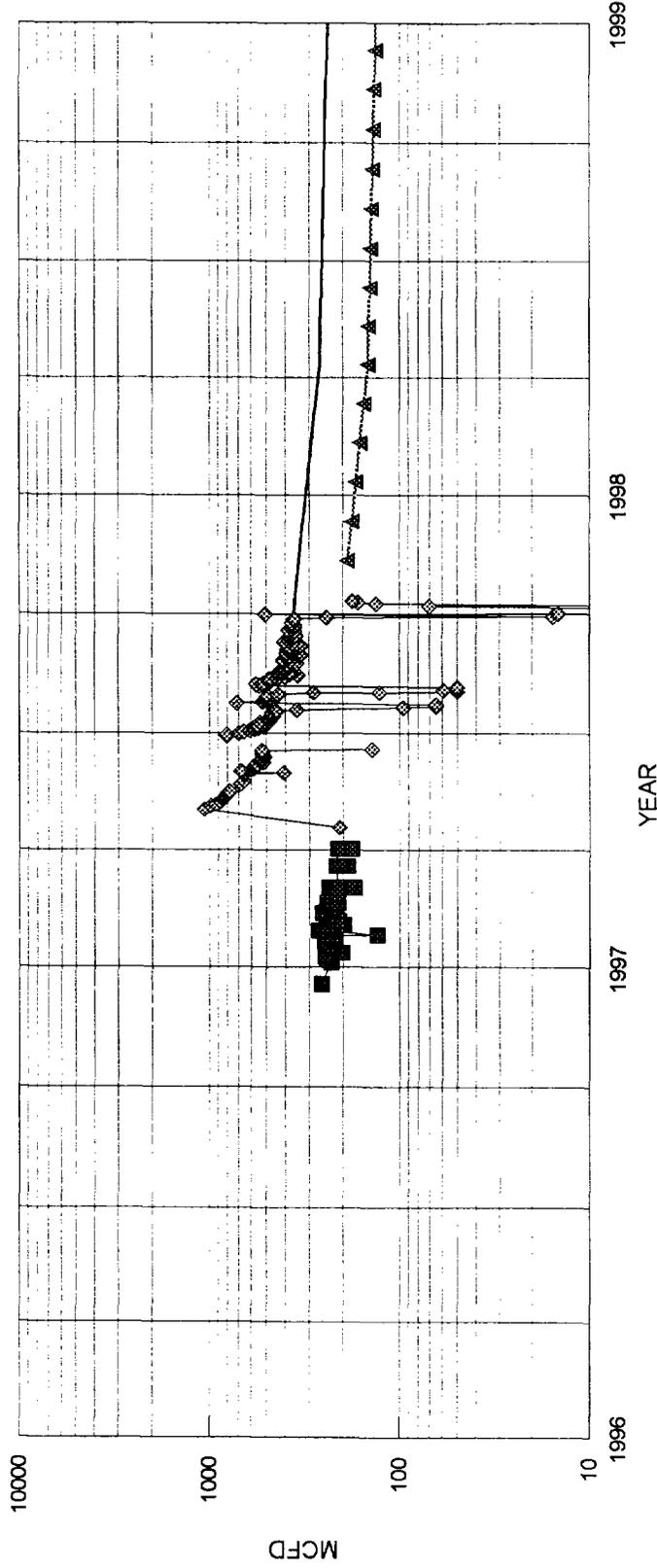
	<u>Gas</u>	<u>Oil</u>
Mesaverde	64%	75%
Dakota	36%	25%

If there are further questions concerning these factors, please contact me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover  
Sr. Conservation Coordinator

**SAN JUAN 28-7 130M MESAVERDE \ DAKOTA PRODUCTION  
COMMINGLE ALLOCATION DATA**



■ DAKOTA ONLY    ◆ MESAVERDE    ▲ PROJECTED DK    — PROJECTED MV

Normalized Oil Production	
MV	DK
226 STBO	74 STBO

FIXED COMMINGLE ALLOCATION		
	% MV	%DK
1/1998	64%	36%
6/1998	64%	36%
12/1998	64%	36%
6/1999	64%	36%

	MV MCFD	DK MCFD	TOTAL
1/1998	309	171	481
6/1998	260	144	405
12/1998	244	135	379
6/1999	228	126	354

FIXED ALLOCATION GAS →  
FIXED ALLOCATION OIL →

MV 75%  
DK 25%



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

Re: ALLOCATION for Downhole Commingling  
Blanco Mesaverde and Basin Dakota Production  
in the San Juan 28-7 Unit No. 223M

Dear Mr. Chaves:

The subject well was approved for downhole commingling and drilling at an unorthodox location by OCD Order No. R-10476 prior to being drilled. This order provided for the allocation to be submitted and approved by the District Supervisor of the Aztec OCD Office.

This well was initially drilled and completed in the Dakota. After producing for about 5 months, a plug was set over the Dakota and the Mesaverde was completed and produced for about 3 months until production stabilized. The attached plat shows the production volumes for each of these isolated test periods which were performed sequentially. However, these separate, isolated test periods have been superimposed on the same plat so that they can be compared and evaluated for allocation purposes.

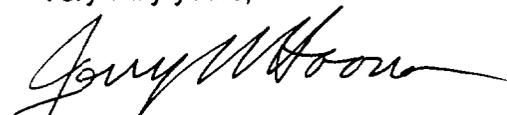
The square symbols represent Dakota production which, in spite of periodic irregular tests, still projects a stabilized decline trend. Mesaverde production stabilized after a couple of months as shown by the diamond symbols. The triangles represent the projected decline of the Dakota which is very similar to the Mesaverde decline as represented by the solid line.

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

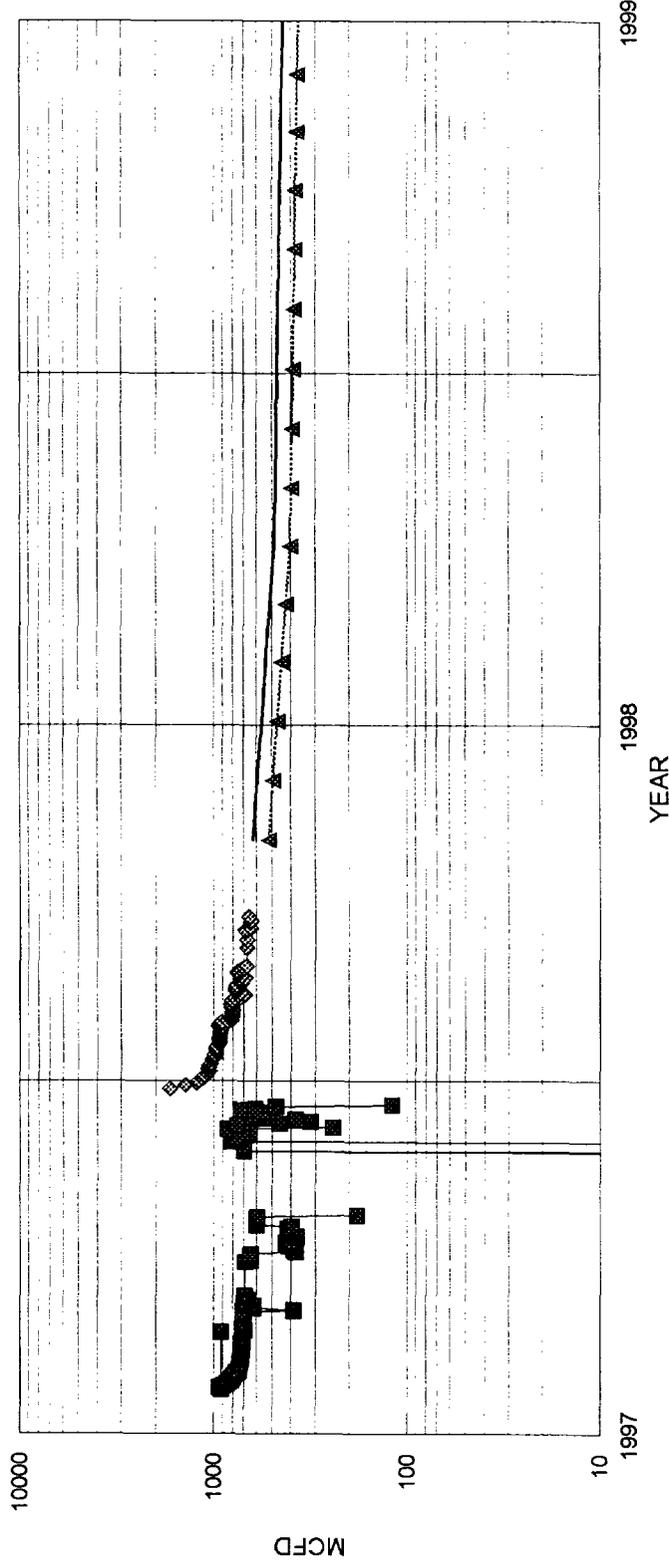
	<u>Gas</u>	<u>Oil</u>
Mesaverde	55%	71%
Dakota	45%	29%

If there are further questions concerning these factors, please contact me at (915) 686-6548.

Very truly yours,

  
Jerry W. Hoover  
Sr. Conservation Coordinator

**SAN JUAN 28-7 UNIT NO. 223M MESAVERDE \ DAKOTA PRODUCTION  
COMMINGLE ALLOCATION DATA**



■ DAKOTA MCFD    ◆ MESAVERDE    ▲ DAKOTA PROJECTED    — MESAVERDE PROJECTED

Normalized Oil Production			
MV	STBO	DK	STBO
579	236	236	236

FIXED COMMINGLE ALLOCATION			
% MV	%DK		
55%	45%		
55%	45%		
55%	45%		
55%	45%		

	MV MCFD	DK MCFD	TOTAL
1/1998	567	469	1036
6/1998	477	395	873
12/1998	232	192	423
6/1999	217	179	396

FIXED ALLOCATION GAS → 55% → 45%  
 FIXED ALLOCATION OIL → 71% → 29%