

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 100 RIO BRAZOS ADAD AZTEC NM 87412 (505) 334-6178 FAX: (505) 334-6170

(505) 334-6178 FAX: (505) 334-6170 http://emnrd.state.nm.us/ocd/District III/3distric.htm

GARY E. JOHNSON

Jennifer A. Salisbury

May 26, 1998

Ms Peggy Bradfield Burlington Resources O&G Co PO Box 4289 Farmington NM 87499

Re: Canyon Largo Unit #250E, P-1-25N-06W, API# 30-039-25720, DHC

Dear Ms. Bradfield:

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

	Gas	Oil
Blanco Mesaverde	27%	100%
Basin Dakota	73%	0%

Yours truly,

Ernie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

Duane Spencer-Farmington BLM Dave Catanach-Santa Fe NMOCD

enyn2500 dhe

BURLINGTON RESOURCES

SANJUAN DIVISION

May 7, 1998

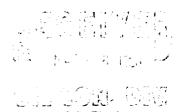
New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

Re:

Canyon Largo Unit #250E

P Section 1, T-25-N, R-6-W, Rio Arriba

30-039-25720



Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1664 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -

27 % gas

100 % oil

Dakota -

73 % gas

0 % oil

These percentages are based on isolated flow tests from the Mesa Verde and Dakota during completion operations.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc:

Bureau of Land Management

NMOCD - Santa Fe

Calculations for Canyon Largo Unit #250E - MV/DK

P 1 T25N R06W

Commingled Blanco Mesaverde Basin Dakota

This is a MV/DK new drill that has production commingled per DHC 1664.

Average MV 3 hour production test with 80 psi back pressure:	105 0	MCFD BOPD
Average DK 3 hour production test with 80 psi back pressure:	282 0	MCFD BOPD

Gas Allocation

Oil Allocation

During completion operations oil production was encountered from the Mesaverde; however, the gas rate produced from the Mesaverde wasn't high enough to lift any fluids during the back pressure production test. The oil production didn't increase when the Mesaverde and Dakota production was commingled. There was also enough gas rate from the Dakota to lift any fluids during its production test if they were present. As a result, the following oil allocation is recommended:

MV =	100	%	
DK =	0	%	