Vaughn 32M-29-26N

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 8, 1997

RECEIVED
MAY - 8 1997
OIL CON. DIV.
DIST. 3

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

Re: Vaughn #32M
940'FNL, 1140'FWL Section 29, T-26-N, R-6-W, Rio Arriba County, NM
API #30-039-23923

Gentlemen:

The above referenced well is a Mesa Verde/Gallup/Dakota commingle. Order R-10239 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	65% gas	45 % oil
Gallup -	5% gas	45 % oil
Dakota -	30% gas	10 % oil

These percentages are based on historical production.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management

3535 East 30th St., 87402-8801, P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833

PRODUCTION ALLOCATION FORMULA METHOD

Vaughn #32M
(Mesaverde/Gallup/Dakota Commingle)
NW/4, Sec. 29-T26N-R06W
Rio Arriba County, New Mexico

Blanket DHC Order # R-10239

Production Rates

Historical Gas Production from Dakota = 2115 MCFM
Historical Oil Production from Dakota = 7 BOPM

Total Gas Production for all three formations = 5632 MCFD (4 month average)
Total Oil Production for all three formations = 76 BOPM (4 month average)

Allocation for Gas Production:

Production tests in offsetting Klein #24, Klein #19M and Klein #28E indicate that Gallup contributes about 5% of commingled gas and about 45% of commingled oil production. This assumption is made in calculating allocation percentages for this well.

Assumed: (GL) % **Gallup 5%**

[*(DK)* 2115 MCFM] = (DK) % **Dakota 30%**
(All) 5632 MCFM

(All) 100% - (DK) 30% - (GL) 5% = **Mesaverde 65%**

Allocation for Oil Production:

Assumed: (GL) % **Gallup 45%**

[*(DK)* 7 BOPM] = (DK) % **Dakota 10%**
(All) 76 BOPM

(All) 100% - (DK) 10% - (GL) 45% = **Mesaverde 45%**