



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
<http://emnr.state.nm.us/ocd/District/III/3distric.htm>

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

November 17, 1999

Ms. Peggy Cole
Burlington Resources O&G Co
PO Box 4289
Farmington NM 87499-4289

Re: San Juan 27-4 Unit #17, M-29-27N-04W, API# 30-039-06865, DHC

Dear Ms. Cole:

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

| | Gas | Oil |
|-----------------|-----|-----|
| Mesa Verde | 95% | 50% |
| Pictured Cliffs | 05% | 50% |

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

cc: Jim Lovato-Farmington BLM
David Catanach-NMOCD Santa Fe
Well file

S J 2 7 ~~4~~ / 7 DHC

BURLINGTON RESOURCES

RECEIVED
JUL - 1 1999
OIL CON. DIV.
DIST. 3

June 30, 1999

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

Re: San Juan 27-4 Unit #17
M Section 29, T-27-N, R-4-W
30-039-06865

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2187 was issued for this well.

| | | |
|------|-----------------|-----|
| Gas: | Mesa Verde | 95% |
| | Pictured Cliffs | 5% |
| Oil: | Mesa Verde | 50% |
| | Pictured Cliffs | 50% |

These allocations are based on historic production and isolated flow tests from the Mesa Verde and Pictured Cliffs during completion operations. Please let me know if you have any questions.

Sincerely,


Peggy Bradfield
Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe
Bureau of Land Management – Farmington

Commingled
Tapacito Pictured Cliffs
Blanco Mesaverde

This is a PC/MV producer with Pictured Cliffs and Mesaverde production streams commingled per DHC

| | | |
|--|-----|------|
| PC/MV commingled production after MV workover: | 400 | MCFD |
| | 0 | BOPD |
| PC only production: | 20 | MCFD |
| | 0 | BOPD |

Gas Allocation

$$PC = (20/400) * 100 = 5 \%$$

$$MV = ((400-20)/400) * 100 = 95 \%$$

Oil Allocation

Past Pictured Cliffs and Mesaverde production has not included oil. As a result, the future oil allocation recommended:

$$PC = 50 \%$$

$$MV = 50 \%$$