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://emnrd.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 27-5 Unit #27, M-26-27N-05W, API# 30-039-06875, DHC

Dear Ms. Cole:

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

	Gas	Oil
Mesa Verde	68%	50%
Pictured Cliffs	32%	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

BURLINGTON RESOURCES

September 22, 1999

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

Re: San Juan 27-5 Unit #27
        M Section 26, T-27-N, R-5-W
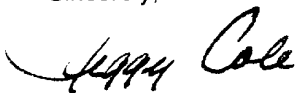   30-039-06875

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2183 was
issued for this well.

Gas: Mesa Verde   68%
        Pictured Cliffs   32%

Oil: Mesa Verde   50%
        Pictured Cliffs   50%

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

Sincerely,

Peggy Bradfield Cole
Regulatory/Compliance Administrator

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

3535 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

Calculations for San Juan 27-5 Unit #27 - PC/MV

M 26 T27N R05W

Commingled
Tapacito Pictured Cliffs
Blanco Mesaverde

This is a PC/MV producer with Pictured Cliffs and Mesaverde production streams commingled per DHC 2183.

PC/MV commingled production after MV workover:	590	MCFD
	0	BOPD
PC only production:	190	MCFD
	0	BOPD

Gas Allocation

$$PC = (190/590)*100 \quad 32 \quad \%$$

$$MV = ((590-190)/590)*100 \quad 68 \quad \%$$

Oil Allocation

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

$$PC = 50 \quad \%$$

$$MV = 50 \quad \%$$