



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 1, 2000

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Peggy Cole

Re: Form C-107-A
San Juan 27-5 Unit No. 70
Unit G, Section 8, T-27N, R-5W
Rio Arriba County, New Mexico



Dear Ms. Cole:

I have reviewed the above described application for downhole commingling and I have concerns regarding Burlington's proposed fixed allocation. Your application states that the current production from the well, as of 2/2000 is as follows:

Blanco-Mesaverde Pool	77 MCFGD	0.0 BOPD
Basin-Dakota Pool	13 MCFGD	0.0 BOPD

Your application further states that cumulative production from the well is as follows:

Blanco-Mesaverde Pool	1,051 MMCFG	1,212 BO
Basin-Dakota Pool	1,984 MMCFG	250 BO

Fixed allocation based upon current production, cumulative production and fixed allocation as shown on Form C-107-A are as follows:

	Current Production		Cumulative Production		Proposed Form-C-107-A	
	Oil-N/A	Gas-85%	Oil-83%	Gas-35%	Oil-50%	Gas-26%
Blanco-Mesaverde Pool	Oil-N/A	Gas-85%	Oil-83%	Gas-35%	Oil-50%	Gas-26%
Basin-Dakota Pool	Oil-N/A	Gas-15%	Oil-17%	Gas-65%	Oil-50%	Gas-74%

There appears to be major inconsistency in the various allocation factors. Please submit a detailed description of the allocation you propose to utilize for this well. In addition, if cumulative production is to be used as the basis for allocation, please explain how this protects correlative rights in light of the well's current producing rates.

Your application will be processed upon receipt of the requested data.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach", with a long horizontal flourish extending to the right.

David Catanach
Engineer

Xc: OCD-Aztec
Bureau of Land Management-Farmington