

5527586 M. DHC

BURLINGTON RESOURCES

SAN JUAN DIVISION

April 30, 1997

RECEIVED
MAY - 1 1997

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

OIL CON. DIV.
DIST. 3

Re: San Juan 27-5 Unit #86M
1760'FSL, 1540'FEL Section 9, T-27-N, R-5-W, Rio Arriba County, NM
API #30-039-22394

Gentlemen:

The above referenced well is planned as a Mesa Verde/Dakota commingle. Order DHC-1517 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	43.1% gas	42.4% oil
Dakota -	56.9% gas	57.6% oil

These percentages are based on five years past production of the Mesa Verde and Dakota.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management

San Juan 27-5 Unit #86M
Production Allocation

Gas

*Mesaverde Production:	119,278 Mcf	43.1%
*Dakota Production	157,681 Mcf	56.9%
Total:	276,959	100.0%

Oil

*Mesaverde Production:	505 BBls	42.4%
*Dakota Production	685 BBls	57.6%
Total:	1,190	100.0%

* Used 5yrs Production 1992 - 1996

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

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
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GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

May 12, 1997

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

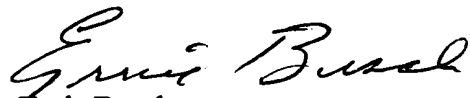
Re: San Juan 27-5 Unit #86M, API# 30-039-22394, J-09-27N-05W, DHC

Dear Ms. Bradfield:

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

	Gas	Oil
Blanco Mesaverde	43%	42%
Basin Dakota	57%	58%

Yours truly,


Ernie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file