



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 2, 1997

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

Attention: Ms. Peggy Bradfield

Re: Downhole Commingling Applications
San Juan 29-7 Unit Well Nos. 520 & 584
Sections 8 & 6, T-29N, R-7W
(L)(G)

Dear Ms. Bradfield:

Reference is made to your recent applications to downhole commingle the South Blanco-Pictured Cliffs and Basin-Fruitland Coal Gas Pools within the subject wells. Please be advised that the Division is concerned about the allocation formula to be utilized in allocating production from these wells. Historically, in instances involving the Basin-Fruitland Coal Gas Pool, the Division has approved a "calculated" type method of allocation due to the unique producing characteristics of the Fruitland Coal reservoir. It appears that Burlington is not proposing that this type of allocation formula be adopted for these wells.

Please furnish additional information regarding the allocation formula proposed to be utilized for these wells in order that the Division may make a determination as to the suitability of such method. If I can be of further assistance, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

xc: William J. LeMay
OCD-Aztec