OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

JENNIFER A. SALISBURY
CABINET SECRETARY

October 3, 1997

GOVERNOR

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

Re:

Zachry #16E, P-33-29N-10W, API# 30-045-24105, DHC

Dear Ms. Bradfield:

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

Otero Chacra Basin Dakota Gas 44%

Oil 0%

56%

100%

Yours truly,

Ernie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

Forayipe. Jhc

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 1, 1997

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

Re:

Zachry #16E

830'FSL, 830'FEL, Section 33, T-29-N, R-10-W

30-045-24105

Gentlemen:

The above referenced well is a Chacra/Dakota commingle. Order DHC-1633 was issued for the commingling. The following allocation formula is submitted for your approval:

Chacra -

43.6% gas

100 % oi

Dakota -

56:4 % gas

0% oil 100%

These percentages are based on historic production from the Chacra and Dakota formations.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc:

Bureau of Land Management

NMOCD - Santa Fe

Zachry #16E Production Allocation

For zonal allocation, 1996 production volumes are utilized:

Chacra Production in 1996: 11,939 MCF, 0 BO

Dakota Production in 1996: 15,459 MCF, 1,166 BO

Total Chacra and Dakota

Production in 1996: 27,398 MCF, 1,166 BO

Gas Allocation Calculation:

Chacra Gas Allocation = 43.6%

Dakota Gas Allocation = 56.4%

Oil Allocation Calculation:

Dakota Oil Allocation = 100%

Chacra Oil Allocation = 0%