

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

September 17, 1998

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

Re: Huerfanito Unit #90
990'N, 1750'E, Section 1, T-26-N, R-9-W, San Juan County
30-045- 60296

Gentlemen:

The above referenced well is a MesaVerde/Dakota commingle. Order DHC-1963 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	71.9 % gas	51.5 % oil
Dakota -	28.1 % gas	48.5 % oil

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

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

**Huerfanito Unit No. 90
Sec. 1, T26N R9W
San Juan County, New Mexico**

Production Allocation Based On Cumulative Production Through 1997

	Cumulative Production	
	<u>MCF</u>	<u>Bbl Oil</u>
Mesa Verde	3,163,849	13,501
Dakota	<u>1,233,915</u>	<u>12,696</u>
	4,397,764	26,197

Gas Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production)}}{\text{(Total Combined Production)}} = \frac{(3,163,849 \text{ MCF})}{(4,397,764 \text{ MCF})} = 71.9\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production)}}{\text{(Total Combined Production)}} = \frac{(1,233,915 \text{ MCF})}{(4,397,764 \text{ MCF})} = 28.1\%$$

Oil Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production)}}{\text{(Total Combined Production)}} = \frac{(13,501 \text{ Bbl Oil})}{(26,197 \text{ Bbl Oil})} = 51.5\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production)}}{\text{(Total Combined Production)}} = \frac{(12,696 \text{ Bbl Oil})}{(26,197 \text{ Bbl Oil})} = 48.5\%$$