BURLINGTON RESOURCES

SAN JUAN DIVISION

December 29, 1997

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

Re: Cain #11E
810'FSL, 1825'FEL, Section 15, T-28-N, R-10-W
30-045-23972

Gentlemen:

The above referenced well is a Chacra/Dakota commingle. Order DHC-1636 was issued for the commingling. The following revised allocation formula is submitted for your approval:

Chacra -	32.6 % gas	0 % oil
Dakota -	67.4 % gas	100 % oil

These percentages are based on historic production for both the Chacra and the Dakota.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

CAIN # 11E
Production Allocation

For zonal allocation, 1996 production volumes are utilized:

Chacra Production in 1996: 24,780 MCF, 0 BO

Dakota Production in 1996: 51,187 MCF, 314 BO

Total Chacra and Dakota Production in 1996: 75,967 MCF, 314 BO

Gas Allocation Calculation:

$$\text{Chacra Gas Allocation} = \frac{\text{(Chacra Production)}}{\text{(Total Production)}}$$

$$\text{Chacra Gas Allocation} = \frac{\text{(24,780 MCF)}}{\text{(75,967 MCF)}} = 32.6\%$$

Chacra Gas Allocation = 32.6%

$$\text{Dakota Gas Allocation} = \frac{\text{(Dakota Production)}}{\text{(Total Production)}}$$

$$\text{Dakota Gas Allocation} = \frac{\text{(51,187 MCF)}}{\text{(75,967 MCF)}} = 67.4\%$$

Dakota Gas Allocation = 67.4%

Oil Allocation Calculation:

$$\text{Chacra Oil Allocation} = \frac{\text{(Chacra Production)}}{\text{(Total Production)}}$$

$$\text{Chacra Oil Allocation} = \frac{\text{(0 BO)}}{\text{(314 BO)}} = 0.0\%$$

Chacra Oil Allocation = 0.0%

$$\text{Dakota Oil Allocation} = \frac{\text{(Dakota Production)}}{\text{(Total Production)}}$$

$$\text{Dakota Oil Allocation} = \frac{\text{(314 BO)}}{\text{(314 BO)}} = 100.0\%$$

Dakota Oil Allocation = 100.0%