

BURLINGTON RESOURCES

SAN JUAN DIVISION

April 25, 1998

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

Re: Canyon Largo Unit #250E
1155'FSL, 1130'FEL Section 1, T-25-N, R-6-W
30-039-25720

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1664 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	27 % gas	100 % oil
Dakota -	73 % gas	0% oil

These percentages are based on isolated flow tests from the Mesa Verde and Dakota during completion operations.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

Calculations for Canyon Largo Unit #250E - MV/DK

P 1 T25N R06W

Commingled
Blanco Mesaverde
Basin Dakota

This is a MV/DK new drill that has production commingled per DHC 1664 .

Average MV 3 hour production test with 80 psi back pressure:	105	MCFD
	0	BOPD

Average DK 3 hour production test with 80 psi back pressure:	282	MCFD
	0	BOPD

Gas Allocation

MV = $332/(332+304)*100$ 27 %

DK = $304/(332+304)*100$ 73 %

Oil Allocation

During completion operations oil production was encountered from the Mesaverde; however, the gas rate produced from the Mesaverde wasn't high enough to lift any fluids during the back pressure production test. The oil production didn't increase when the Mesaverde and Dakota production was commingled. There was also enough gas rate from the Dakota to lift any fluids during its production test if they were present. As a result, the following oil allocation is recommended:

MV = 100 %

DK = 0 %