

**BURLINGTON  
RESOURCES**

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SAN JUAN DIVISION

September 17, 1998

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

Re: Hancock #2  
1650'FSL, 800'FWL, Section 29, T-28-N, R-9-W, San Juan  
30-045-07139

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order DHC-1720 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	67.9 % gas	100 % oil
Pictured Cliffs -	32.1 % gas	0 % oil

These percentages are based on historic production from the Mesa Verde and Pictured Cliffs.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield  
Regulatory/Compliance Administrator

xc: Bureau of Land Management  
NMOCD - Santa Fe

**Hancock No. 2  
Proposed Allocation Formula**

**Production allocation based on production from 1994 (last representative year of PC & MV prod**

	<b>1994 MCF</b>
Mesa Verde	21,933
Pictured Cliffs	<u>10,348</u>
	32,281

	<b>1995 Bbl. Oil</b>
Mesa Verde	137
Pictured Cliffs	<u>-</u>
	137

**Gas Allocation:**

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production) (21,933 MCF)}}{\text{(Total Combined Production) (32,281 MCF)}} = \mathbf{67.9\%}$$

$$\text{Pictured Cliffs \%} = \frac{\text{(Total Pictured Cliffs Production) (10,348 MCF)}}{\text{(Total Combined Production) (32,281 MCF)}} = \mathbf{32.1\%}$$

**Oil Allocation:**

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production) (137 Bbl. Oil)}}{\text{(Total Combined Production) (137 Bbl. Oil)}} = \mathbf{100.0\%}$$

$$\text{Pictured Cliffs \%} = \frac{\text{(Total Pictured Cliffs Production) (0 Bbl. Oil)}}{\text{(Total Combined Production) (137 Bbl. Oil)}} = \mathbf{0.0\%}$$