

*BURLINGTON
RESOURCES*

SAN JUAN DIVISION

May 8, 1997

RECEIVED
MAY - 8 1997

OIL CON. DIV
DIST. 3

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

Re: Klein #27
1590' FSL, 2040' FWL Section 35, T-26-N, R-6-W, Rio Arriba County, NM
API #30-039-21603

Gentlemen:

The above referenced well is a Mesa Verde/Gallup/Dakota commingle. Order R-10239 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	80% gas	45 % oil
Gallup -	5% gas	45 % oil
Dakota -	15% gas	10 % oil

These percentages are based on historical production.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management

PRODUCTION ALLOCATION FORMULA METHOD

Klein #27
(Mesaverde/Gallup/Dakota Commingle)
SW/4, Sec. 35-T26N-R06W
Rio Arriba County, New Mexico

Blanket DHC Order # R-10239

Production Rates

Historical Gas Production from Dakota = 3600 MCFM

Historical Oil Production from Dakota = 22 BOPM

Total Gas Production for all three formations = 21422 MCFD (3 month average)

Total Oil Production for all three formations = 349 BOPM (3 month average)

Allocation for Gas Production:

Production tests in offsetting Klein #24, Klein #19M and Klein #28E indicate that Gallup contributes about 5% of commingled gas and about 45% of commingled oil production. This assumption is made in calculating allocation percentages for this well.

Assumed: (GL) % **Gallup 5%**

[(DK) 3600 MCFM] = (DK) % **Dakota 15%**

(All) 21422 MCFM

(All) 100% - (DK) 15% - (GL) 5% = **Mesaverde 80%**

Allocation for Oil Production:

Assumed: (GL) % **Gallup 45%**

[(DK) 22 BOPM] = (DK) % **Dakota 10%**

(All) 349 BOPM

(All) 100% - (DK) 10% - (GL) 45% = **Mesaverde 45%**



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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(806) 334-6170 Fax (806)334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

May 12, 1997

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

Re: Klein #27, API# 30-039-21603, K-35-26N-06W, DHC

Dear Ms. Bradfield:

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

	Gas	Oil
Blanco Mesaverde	80%	45%
Gallup	5%	45%
Basin Dakota	15%	10%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file