

Vaughn 31-DHC

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 8, 1997

RECEIVED
MAY - 8 1997

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

OIL CON. DIV.
DIST. 3

Re: Vaughn #31
1120'FNL, 1610'FEL Section ^B29, T-26-N, R-6-W, Rio Arriba County, NM
API #30-039-22264

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 -	85% gas	45 % oil
Gallup -	5% gas	45 % oil
Dakota -	10% 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

Vaughn #31
(Mesaverde/Gallup/Dakota Commingle)
NE/4, Sec. 29-T26N-R06W
Rio Arriba County, New Mexico

Blanket DHC Order # R-10239

Production Rates

Historical Gas Production from Dakota = 1253 MCFM

Historical Oil Production from Dakota = 15 BOPM

Total Gas Production for all three formations = 20167 MCFD (4 month average)

Total Oil Production for all three formations = 129 BOPM (4 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%**

$$\left[\frac{(DK) 1253 \text{ MCFM}}{(All) 20167 \text{ MCFM}} \right] = (DK) \% \text{ **Dakota 10%**}$$

$$(All) 100\% - (DK) 10\% - (GL) 5\% = \text{**Mesaverde 85%**}$$

Allocation for Oil Production:

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

$$\left[\frac{(DK) 15 \text{ BOPM}}{(All) 129 \text{ BOPM}} \right] = (DK) \% \text{ **Dakota 10%**}$$

$$(All) 100\% - (DK) 10\% - (GL) 45\% = \text{**Mesaverde 45%**}$$



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

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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: Vaughn #31, API# 30-039-22264, B-29-26N-06W, DHC

Dear Ms. Bradfield:

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

	Gas	Oil
Blanco Mesaverde	85%	45%
Gallup	5%	45%
Basin Dakota	10%	10%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

cc: well file