

SAN JUAN DIVISION

April 25, 1998

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

Re:

Allison Unit #11X

917'FNL, 1086'FEL Section 23, T-32-N, R-7-W, San Juan County, NM

API #30-045-11346

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1460 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -

86.36 % gas

50 % oil

Dakota -

13.64 % gas

50% oil

These percentages are based on historical production from the Mesa Verde and Dakota.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc:

Bureau of Land Management

NMOCD - Santa Fe

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

Allison Unit #11X (Mesaverde/Dakota)Commingle Unit A, Sec 23 T32N-R07W San Juan County, New Mexico

Allocation Formula Method:

12 Month Dakota Average Prior to MV Payadd = 40.12 MCFD & 0 BO

6 Month Post Payadd Commingled Production = 294.25 MCFD & 0 BO

Commingled Production – Prior Dakota Average = Mesaverde Contribution

GAS:

(DK) 40.12 MCFD = (DK) % Dakota 13.64% (MV & DK) 294.25 MCFD

(MV & DK) 294.25 MCFD (100%) - (DK) 40.12 MCFD (13.64%)

= (MV) % Mesaverde 86.36%

OIL:

(DK) 0.0 BOPD = (DK) % Dakota 50% (MV & DK) 0.0 BOPD

(MV & DK) 0.0 BOPD (100%) - (DK) 0.0 BOPD (50%) = (MV) % Mesaverde 50%