

BURLINGTON RESOURCES

SAN JUAN DIVISION

September 30, 1997

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

Re: San Juan 27-5 Unit #98
1850'FNL, 1070'FWL Section 14, T-27-N, R-05-W, Rio Arriba County, NM
API #30-039-07064

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1515 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	85 % gas	0% oil
Dakota -	15 % gas	100 % oil

These percentages are based upon pre-recompletion rates for the Dakota only and post recompletion rates for the Mesa Verde and Dakota commingled.

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

**San Juan 27-5 Unit #98
(Mesaverde/Dakota)Commingle
Unit E, 14-T27N-R05W
Rio Arriba County, New Mexico**

Allocation Formula Method:

1996 Dakota Average = 134 MCFD & 0.8 BO

1997 Commingled Production = 880 MCFD & 0 BO

1997 Commingled Production - 1996 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 134 \text{ MCFD}}{(MV \& DK) 880 \text{ MCFD}} = (DK) \% \text{ Dakota 15\%}$$

$$\frac{(MV \& DK) 880 \text{ MCFD (100\%)} - (DK) 134 \text{ MCFD (15\%)}}{(MV \& DK) 880 \text{ MCFD (100\%)}} = (MV) \% \text{ Mesaverde 85\%}$$

OIL:

$$\frac{(DK) 0.8 \text{ BOPD}}{(MV \& DK) 0 \text{ BOPD}} = (DK) \% \text{ Dakota 100\%}$$

$$\frac{(MV \& DK) 0 \text{ BOPD (100\%)} - (DK) 0.8 \text{ BOPD (100\%)}}{(MV \& DK) 0 \text{ BOPD (100\%)}} = (MV) \% \text{ Mesaverde 0\%}$$