

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

November 7, 1998

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

Re: San Juan 32-9 Unit #23A
1600' FNL, 1490' FWL. Section 5, T-31-N, R-9-W, San Juan
30-045-23382

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order DHC-1565 was issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|-------------------|----------|-----------|
| Mesa Verde - | 60 % gas | 100 % oil |
| Pictured Cliffs - | 40 % gas | 0 % oil |

These percentages are based on historical 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

**San Juan 32-9 Unit #23A
Unit F, Section 5, 31N – 9W
San Juan County, New Mexico**

Production Allocation

Commingle Date: 9/29/97

GAS

12 month average daily production before (MV only) = 180 MCF/D
4 month average daily production after (PC & MV) = 300 MCF/D
Difference (Uplift from MV) = 120 MCF/D

Percent Allocation for the Mesaverde = $180 \text{ MCF/D} / 300 \text{ MCF/D} = 60\%$
Percent Allocation for the Pictured Cliffs = $120 \text{ MCF/D} / 300 \text{ MCF/D} = 40\%$

OIL

1997 Oil Production (Mesaverde) = 273 BBL 100%
1997 Oil Production (Pictured Cliffs) = 0 BBL 0%

The percent allocations for the gas are based upon the uplift in total production after the Pictured Cliffs was recompleted. To get this uplift, the average of 12 months of production before the work was completed, was subtracted from the average of 4 months of production after the work was completed. These two time frames were: 9/96-8/97 and 5/98-8/98.