

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

November 14, 1998

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

Re: Allison Unit #17
Unit J, Section 24, T-32-N, R-7-W, San Juan
30-045-11294

Gentlemen:

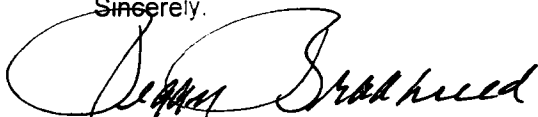
The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1577 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	88.44 % gas	50 % oil
Dakota -	11.56 % gas	50 % oil

These percentages are based on historic production from the Dakota and combined production after the Mesa Verde payadd.

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

Allison Unit #17
(Mesaverde/Dakota)Commingle
Unit J, Sec 24 T32N-R07W
San Juan County, New Mexico

Allocation Formula Method:

12 Month Dakota Average Prior to MV Payadd = 17 MCFD & 0 BO

Post Payadd Commingled Production = 147 MCFD & 0 BO

Commingled Production – Prior Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 17 \text{ MCFD}}{(MV \& DK) 147 \text{ MCFD}} = (DK) \% \text{ Dakota 11.56\%}$$

$$(MV \& DK) 147 \text{ MCFD (100\%)} - (DK) 17 \text{ MCFD (11.56\%)}$$

$$= (MV) \% \text{ Mesaverde 88.44\%}$$

OIL:

$$\frac{(DK) 0.0 \text{ BOPD}}{(MV \& DK) 0.0 \text{ BOPD}} = (DK) \% \text{ Dakota 50\%}$$

$$(MV \& DK) 0.0 \text{ BOPD (100\%)} - (DK) 0.0 \text{ BOPD (50\%)}$$

$$= (MV) \% \text{ Mesaverde 50\%}$$