

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 27, 1997

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

Re: San Juan 29-7 Unit #520
1600'FSL, 900'FWL, Section 8, T-29-N, R-7-W
30-039-25635

Gentlemen:

The above referenced well is a Fruitland Coal/Pictured Cliffs commingle. Order DHC-1629 issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|-------------------|----------|---------|
| Fruitland Coal - | 40 % gas | 0 % oil |
| Pictured Cliffs - | 60 % gas | 0 % oil |

These percentages are based on isolated flow tests from the Fruitland Coal and Pictured Cliffs during completion operations.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

Downhole Commingling Allocation Worksheet

San Juan 29-7 #520
1600' FSL, 900' FWL, Section 8, T29N-R7W
Rio Arriba Co., New Mexico

The percentage allocation for the Fruitland and Pictured Cliffs zones were derived as follows:

The Pictured Cliffs zone was tested during completion on 10/10/97. It flowed 281 Mcf/d, 0 bo/d and 0 bw/d against a separator pressure of 250 psig.

The Fruitland Coal zone was tested during completion on 10/15/97. It flowed 184 Mcf/d, 0 bo/d and 0 bw/d against a separator pressure of 250 psig.

Production allocation for the Pictured Cliffs =

$$\frac{\text{Pictured Cliffs production (Mcf/d)}}{\text{Pictured Cliffs production (Mcf/d) + Fruitland production (Mcf/d)}} = \frac{281 \text{ Mcf/d}}{281 \text{ Mcf/d} + 184 \text{ Mcf/d}} = 0.60$$

Production allocation for the Fruitland Coal =

$$\frac{\text{Fruitland Coal production (Mcf/d)}}{\text{Pictured Cliffs production (Mcf/d) + Fruitland production (Mcf/d)}} = \frac{184 \text{ Mcf/d}}{281 \text{ Mcf/d} + 184 \text{ Mcf/d}} = 0.40$$