

SAN JUAN DIVISION

÷.

September 17, 1998

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

Re: Canyon Largo Unit #287M 1770'FNL, 1175'FWL, Section 3, T-25-N, R-6-W, Rio Arriba County 30-039-25550

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1693 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	32.99 % gas	48.59 % oil
Dakota -	67.01 % gas	51.41 % oil

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

Please let me know if you have any questions.

Sincerely. Stannid

Peggy Bradfield Regulatory/Compliance Administrator

xc: Bureau of Land Management NMOCD - Santa Fe

P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-599-4046

Canyon Largo Unit #287M Sec. 3, T25N R06W Rio Arriba County, New Mexico

Production Allocation Based On 1997 Production

4

.

	1997 Production		% Allocat	tion
	MCF	Bbl Oil	% Gas	% Oil
Dakota	63,858	383	67.01%	51.41%
Mesa Verde	31,436	362	32.99%	48.59%
Total	95,294	745	100.00%	100.00%

Gas Allocation:	(Total Dakota Production)	63,858 MCF
Dakota	(Total Combined Production)	= 67.01% 95,294 MCF
Mesa Verde	(Total Mesa Verde Production)	31436 MCF
	(Total Combined Production)	32.99% 95294 MCF
<u>Oil Allocation:</u> Dakota	(Total Dakota Production)	383 Bbl Oil = 51.41%
	(Total Combined Production)	745 Bbl Oil
Mesa Verde	(Total Mesa Verde Production)	362 Bbl Oil = 48.59%
	(Total Combined Production)	745 Bbl Oil