

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

September 17, 1998

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

Re: San Juan 27-5 Unit #97M
1000' FNL 1000' FWL, Section 31, T-27-N, R-5-W, Rio Arriba County
30-039-23728

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1716 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	37.6 % gas	52.5 % oil
Dakota -	62.4 % gas	47.5 % oil

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

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 27-5 Unit No. 97M
Proposed Allocation Formula**

Production allocation based on production over the four year period 1993 to 1996

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>Total</u>
	<u>MCF</u>	<u>MCF</u>	<u>MCF</u>	<u>MCF</u>	<u>MCF</u>
Mesa Verde	53,939	32,340	17,748	56,295	160,322
Dakota	<u>69,959</u>	<u>80,952</u>	<u>61,546</u>	<u>54,102</u>	<u>266,559</u>
	123,898	113,292	79,294	110,397	426,881

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>Total</u>
	<u>Bbl. Oil</u>				
Mesa Verde	1,423	1,588	1,602	1,632	6,245
Dakota	<u>1,159</u>	<u>1,328</u>	<u>1,519</u>	<u>1,650</u>	<u>5,656</u>
	2,582	2,916	3,121	3,282	11,901

Gas Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production)} \quad (160,322 \text{ MCF})}{\text{(Total Combined Production)} \quad (426,881 \text{ MCF})} = 37.60\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production)} \quad (266,559 \text{ MCF})}{\text{(Total Combined Production)} \quad (426,881 \text{ MCF})} = 62.40\%$$

Oil Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production)} \quad (6,245 \text{ Bbl. Oil})}{\text{(Total Combined Production)} \quad (11,901 \text{ Bbl. Oil})} = 52.50\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production)} \quad (5,656 \text{ Bbl. Oil})}{\text{(Total Combined Production)} \quad (11,901 \text{ Bbl. Oil})} = 47.50\%$$