

**BURLINGTON
RESOURCES**

SAN JUAN DIVISION

November 9, 1998

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

Re: Huerfanito Unit #87
1550' FSL, 1750' FWL, Section 1, T-26-N, R-9-W, San Juan
30-045-06023

Gentlemen:

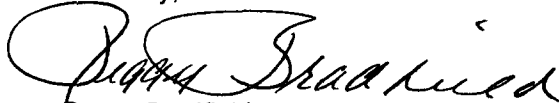
The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1964 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	68.7 % gas	63.8 % oil
Dakota -	31.3 % gas	36.2 % oil

These percentages are based on historical data for 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

Huerfanito Unit No. 87
Sec. 1, T26N R9W
San Juan County, New Mexico

Production Allocation Based On 1997 Production

	1997 Production	
	<u>MCF</u>	<u>Bbl Oil</u>
Mesa Verde	77,321	402
Dakota	<u>35,254</u>	<u>228</u>
	112,575	630

Gas Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production) (77,321 MCF)}}{\text{(Total Combined Production) (112,575 MCF)}} = 68.7\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production) (35,254 MCF)}}{\text{(Total Combined Production) (112,575 MCF)}} = 31.3\%$$

Oil Allocation:

$$\text{Mesa Verde \%} = \frac{\text{(Total Mesa Verde Production) (402 Bbl. Oil)}}{\text{(Total Combined Production) (630 Bbl. Oil)}} = 63.8\%$$

$$\text{Dakota \%} = \frac{\text{(Total Dakota Production) (228 Bbl. Oil)}}{\text{(Total Combined Production) (630 Bbl. Oil)}} = 36.2\%$$