Klan19M-BHC

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 8, 1997

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OIL COM. DIV.

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

Re:

Klein #19M

1050'FNL, 1800'FWL Section 34, T-26-N, R-6-W, Rio Arriba County, NM

API #30-039-23770

Gentlemen:

The above referenced well is a Mesa Verde/Gallup/Dakota commingle. Order R-10239 was issued for the commingling. The following allocation formula is submitted for your approval:

 Mesa Verde 80% gas
 50 % oil

 Gallup 5% gas
 45 % oil

 Dakota 15% gas
 5 % oil

These percentages are based on historical production.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc: Bureau of Land Management

PRODUCTION ALLOCATION FORMULA METHOD

Klein #19M (Mesaverde/Gallup/Dakota Commingle) NW/4, Sec. 34-T26N-R06W Rio Arriba County, New Mexico

Blanket DHC Order # R-10239

Production Rates

Historical Gas Production from Dakota = $\underline{3986 \text{ MCFM}}$ Historical Oil Production from Dakota = $\underline{4 \text{ BOPM}}$

Isolated Gas Production from Mesaverde = $\underline{18827 \text{ MCFM}}$ (13 month average) Isolated Oil Production from Mesaverde = $\underline{50 \text{ BOPM}}$ (13 month average)

Total Gas Production for all three formations = $\underline{20930 \text{ MCFD}}$ (2 month average) Total Oil Production for all three formations = $\underline{103 \text{ BOPM}}$ (2 month average)

Allocation for Gas Production:

Production tests in offsetting Klein #24, Klein #19M and Klein #28E indicate that Gallup contributes about 5% of commingled gas and about 45% of commingled oil production. This assumption is made in calculating allocation percentages for this well.

Assumed: (GL) % Gallup 5% (Actual (100-((DK+MV)/All) = 0%)

[DK] 3986 MCFM = (DK) % Dakota 15% (Actual (DK/All) = 20%) (All) 20930 MCFM

(All) 100% - (DK) 15% - (GL) 5% = Mesaverde 80% (Actual (MV/All) = 90%)

Allocation for Oil Production:

Assumed: (GL) % Gallup 45% (Actual = 47.5%)

 $[(DK) 4 BOPM] = (DK) \% \underline{Dakota 5\%}$

(All) 103 BOPM

(All) 100% - (DK) 5% - (GL) 45% = Mesaverde 50%

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

May 12, 1997

Ms Peggy Bradfield
Burlington Resources O&G Co
PO Box 4289
Farmington NM 87499

Re:

Klein #19M, API# 30-039-23770, C-34-26N-06W, DHC

Dear Ms. Bradfield:

Your recommended allocation of commingled production for the referenced well is hereby accepted as follows:

	Gas	Oil
Blanco Mesaverde	80%	50%
Gallup	5%	45%
Basin Dakota	15%	5%

Yours truly,

Érnie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file