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SAN JUAN DIVISION

May 8, 1997

OIL CON. DIV.

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

Re:

Klein #27M

Klein #2/M ϱ 1190'FSL, 1455'FEL Section 35, T-26-N, R-6-W, Rio Arriba County, NM

API #30-039-23772

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:

45 % oil Mesa Verde -80% gas 45 % oil Gallup -5% gas 10 % oil Dakota -15% gas

These percentages are based on historical production.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

Bureau of Land Management

PRODUCTION ALLOCATION FORMULA METHOD

Klein #27M (Mesaverde/Gallup/Dakota Commingle) SE/4, Sec. 35-T26N-R06W Rio Arriba County, New Mexico

Blanket DHC Order # R-10239

Production Rates

Historical Gas Production from Dakota = <u>3219 MCFM</u> Historical Oil Production from Dakota = <u>15 BOPM</u>

Total Gas Production for all three formations = $\underline{19855 \text{ MCFD}}$ (5 month average) Total Oil Production for all three formations = 164 BOPM (5 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%

[(DK) 3219 MCFM] = (DK) % **Dakota 15%** (All) 19855 MCFM

(All) 100% - (DK) 15% - (GL) 5% = Mesaverde 80%

Allocation for Oil Production:

Assumed: (GL) % Gallup 45%

[DK) 15 BOPM = (DK) % **Dakota** 10% (All) 164 BOPM

(All) 100% - (DK) 10% - (GL) 45% = **Mesaverde 45%**

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1900 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (605) 334-6176 Fax (505)234-6170

JENNIFER A. SALISBURY CABINET SECRETARY

GARY E. JOHNSON GOVERNOR

May 12, 1997

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

Dear Ms. Bradfield:

Re:

Klein #27M, API# 30-039-23772, O-35-26N-06W, DHC

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

D1 34 4	Gas	Oil
Blanco Mesaverde	80%	45%
Gallup	5%	45%
Basin Dakota	15%	10%

Yours truly,

Érnie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file