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

October 16, 1997

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

Re: Sunray D #2R, A-21-30N-10W, API# 30-045-23862, DHC

Dear Ms. Bradfield:

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

	Gas	Oil
Blanco Mesaverde	90%	100%
Blanco Pictured Cliffs Extension	10%	0%

Yours truly,

Ærnie Busch

District Geologist/Deputy O&G Inspector

EB/sh

cc: well file

SUNRYDER. DHC

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 10, 1997

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

Re:

Sunray D #2R

1065'FNL, 1000'FEL Section 21, T-30-N, R-10-W, San Juan County, NM

API #30-045-23862

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order DHC-1510 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -

90 % gas

100 % oil

Pictured Cliffs 10 % gas

0% oil

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

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc:

Bureau of Land Management

NMOCD - Santa Fe

Sunray D #2R

Allocation Calculation Blanco Mesaverde and Aztec Pictured Cliffs Commingle Method: Production History

Gas Production:

Average on line Pictured Cliffs production prior to workover:

16 mcf/d
Total on line Pictured Cliffs and Mesaverde production after workover:

163 mcf/d

Oil Production:

Average on line Pictured Cliffs production prior to workover:

O bbls/d

Total on line Pictured Cliffs and Mesaverde production after workover:

0.63 bbls/d

Gas Production Allocation:

Pictured Cliffs Gas Allocation =
$$\frac{16 \text{ mcf/d}}{163 \text{ mcf/d}} = \frac{10\%}{163 \text{ mcf/d}}$$

Mesaverde Gas Allocation =
$$\frac{163 - 16}{163} \frac{\text{mcf/d}}{\text{mcf/d}} = \frac{90\%}{163}$$

Oil Production Allocation:

Pictured Cliffs Oil Allocation =
$$\frac{0 \text{ bbls/d}}{0.63 \text{ bbls/d}} = \frac{0\%}{0.63 \text{ bbls/d}}$$

Mesaverde Oil Allocation =
$$0.63 - 0$$
 bbls/d = 100% bbls/d