

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

November 14, 1998

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

Re: Grenier #17
Unit D, Section 6, T-31-N, R-11-W, San Juan
30-045-11698

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1570 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	63 % gas	88 % oil
Dakota -	37 % gas	12% oil

These percentages are based on historic production from both 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

Grenier #17
Unit D, Section 6, 31N – 11W
San Juan County, New Mexico

Production Allocation

Commingle Date: 7/31/97

GAS

12 month average daily production before (DK only) = 142 MCF/D
12 month average daily production after (DK & MV) = 378 MCF/D
Difference (Uplift from MV) = 237 MCF/D

Percent Allocation for the Mesaverde = $237 \text{ MCF/D} / 378 \text{ MCF/D} = 63\%$
Percent Allocation for the Dakota = $142 \text{ MCF/D} / 378 \text{ MCF/D} = 37\%$

OIL

12 months production before (DK only) = 52 BBL
12 month production after (DK & MV) = 428 BBL
Difference (Uplift from MV) = 376 BBL

Percent Allocation for the Mesaverde = $376 \text{ BBL} / 428 \text{ BBL} = 88\%$
Percent Allocation for the Dakota = $50 \text{ BBL} / 428 \text{ BBL} = 12\%$

The percent allocations for the gas are based upon the uplift in total production after the Mesaverde was recompleted. To get this uplift, the average of 12 months of production before the before the work was completed, was subtracted from the average of 12 months of production after the work was completed. These two 12 month time frames were: 8/96-7/97 and 9/97-8/98.