

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 1, 1997

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

Re: Zachry #16E
830'FSL, 830'FEL, Section 33, T-29-N, R-10-W
30-045-24105

Gentlemen:

The above referenced well is a Chacra/Dakota commingle. Order DHC-1633 was issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|----------|------------|-----------|
| Chacra - | 43.6 % gas | 100 % oil |
| Dakota - | 56.4 % gas | 0 % oil |

These percentages are based on historic production from the Chacra and Dakota formations.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

**Zachry #16E
Production Allocation**

For zonal allocation, 1996 production volumes are utilized:

Chacra Production in 1996: 11,939 MCF , 0 BO

Dakota Production in 1996: 15,459 MCF, 1,166 BO

Total Chacra and Dakota
Production in 1996: 27,398 MCF, 1,166 BO

Gas Allocation Calculation:

$$\text{Chacra Allocation} = \frac{(\text{Chacra Production})}{(\text{Total Production})}$$

$$\text{Chacra Allocation} = \frac{(11,939 \text{ MCF})}{(27,398 \text{ MCF})} = 43.6\%$$

Chacra Gas Allocation = 43.6%

$$\text{Dakota Allocation} = \frac{(\text{Dakota Production})}{(\text{Total Production})}$$

$$\text{Dakota Allocation} = \frac{(15,459 \text{ MCF})}{(27,398 \text{ MCF})} = 56.4\%$$

Dakota Gas Allocation = 56.4%

Oil Allocation Calculation:

$$\text{Dakota Allocation} = \frac{(\text{Dakota Production})}{(\text{Total Production})}$$

$$\text{Dakota Allocation} = \frac{(1,166 \text{ BO})}{(1,166 \text{ BO})} = 100\%$$

Dakota Oil Allocation = 100%

Chacra Oil Allocation = 0%