

BURLINGTON RESOURCES

SAN JUAN DIVISION

April 9, 1998

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

Re: Canyon Largo Unit #294E
900'FSL, 1505'FEL Section 2, T-25-N, R-6-W
30-039-25714

Gentlemen:

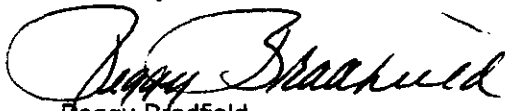
The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1663 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	52 % gas	100 % oil
Dakota -	48 % gas	0 % oil

These percentages are based on isolated flow tests from the Mesa Verde and Dakota during completion operations.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

Calculations for Canyon Largo Unit #294E - MV/DK

O 2 T25N R06W

Commingled
Blanco Mesaverde
Basin Dakota

This is a MV/DK new drill that has production commingled per DHC 1663 .

Average MV 3 hour production test with 80 psi back pressure:	332	MCFD
	48	BOPD

Average DK 3 hour production test with 80 psi back pressure:	304	MCFD
	0	BOPD

Gas Allocation

MV = $332/(332+304)*100$ 52 %

DK = $304/(332+304)*100$ 48 %

Oil Allocation

MV = $48/(48+0)*100$ 100 %

DK = $0/(48+0)*100$ 0 %