

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

September 17, 1998

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

Re: Hancock #2
1650'FSL, 800'FWL, Section 29, T-28-N, R-9-W, San Juan
30-045-07139

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order DHC-1720 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	67.9 % gas	100 % oil
Pictured Cliffs -	32.1 % 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

**Hancock No. 2
Proposed Allocation Formula**

Production allocation based on production from 1994 (last representative year of PC & MV prod

	1994
	<u>MCF</u>
Mesa Verde	21,933
Pictured Cliffs	<u>10,348</u>
	32,281

	1995
	<u>Bbl. Oil</u>
Mesa Verde	137
Pictured Cliffs	<u>-</u>
	137

Gas Allocation:

$$\text{Mesa Verde \%} = \frac{(\text{Total Mesa Verde Production})}{(\text{Total Combined Production})} = \frac{(21,933 \text{ MCF})}{(32,281 \text{ MCF})} = \mathbf{67.9\%}$$

$$\text{Pictured Cliffs \%} = \frac{(\text{Total Pictured Cliffs Production})}{(\text{Total Combined Production})} = \frac{(10,348 \text{ MCF})}{(32,281 \text{ MCF})} = \mathbf{32.1\%}$$

Oil Allocation:

$$\text{Mesa Verde \%} = \frac{(\text{Total Mesa Verde Production})}{(\text{Total Combined Production})} = \frac{(137 \text{ Bbl. Oil})}{(137 \text{ Bbl. Oil})} = \mathbf{100.0\%}$$

$$\text{Pictured Cliffs \%} = \frac{(\text{Total Pictured Cliffs Production})}{(\text{Total Combined Production})} = \frac{(0 \text{ Bbl. Oil})}{(137 \text{ Bbl. Oil})} = \mathbf{0.0\%}$$