

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

September 17, 1998

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

Re: Canyon Largo Unit #447
1510'FNL, 1615'FEL, Section 24, T-25-N, R-7-W, Rio Arriba County
30-039-25480

Gentlemen:

The above referenced well is a Gallup/Dakota commingle. Order DHC-1742 was issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|----------|----------|------------|
| Gallup - | 67 % gas | 56.2 % oil |
| Dakota - | 33 % gas | 43.8 % oil |

These percentages are based on historic production from the Gallup 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

**Canyon Largo Unit No. 447
Proposed Allocation Formula**

Production allocation based on Cumulative Production through August, 1997

| | |
|--------|-------------------|
| | <u>MCF</u> |
| Gallup | 71,312 |
| Dakota | <u>35,062</u> |
| | 106,374 |

| | |
|--------|------------------------|
| | <u>Bbl. Oil</u> |
| Gallup | 3,112 |
| Dakota | <u>2,422</u> |
| | 5,534 |

Gas Allocation:

| | | | | |
|-------------------|--------------------------------------|------------------------|---|--------------|
| Gallup % = | (Total Gallup Production) | (71,312 MCF) | = | 67.0% |
| | ----- (Total Combined Production) | ----- (106,374 MCF) | | |

| | | | | |
|-------------------|--------------------------------------|------------------------|---|--------------|
| Dakota % = | (Total Dakota Production) | (35,062 MCF) | = | 33.0% |
| | ----- (Total Combined Production) | ----- (106,374 MCF) | | |

Oil Allocation:

| | | | | |
|-------------------|--------------------------------------|---------------------------|---|--------------|
| Gallup % = | (Total Gallup Production) | (3,112 Bbl. Oil) | = | 56.2% |
| | ----- (Total Combined Production) | ----- (5,534 Bbl. Oil) | | |

| | | | | |
|-------------------|--------------------------------------|---------------------------|---|--------------|
| Dakota % = | (Total Dakota Production) | (2,422 Bbl. Oil) | = | 43.8% |
| | ----- (Total Combined Production) | ----- (5,534 Bbl. Oil) | | |