

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

September 17, 1998

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

Re: Johnston A Com G #17M
1595' FSL, 1115' FEL, Section 36, T-26-N, R-6-W
30-039-25560

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1788 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	63.8 % gas	81.5 % oil
Dakota -	36.2 % gas	18.5 % oil

These percentages are based on historic production from 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

**Johnston A Com G No. 17M
Proposed Allocation Formula**

Production allocation based on cumulative production through September, 1997

	<u>MCF</u>
Mesa Verde	52,089
Dakota	<u>29,618</u>
	81,707

	<u>1995 Bbl. Oil</u>
Mesa Verde	1,140
Dakota	<u>259</u>
	1,399

Gas Allocation:

$$\text{Mesa Verde \%} = \frac{(\text{Total Mesa Verde Production})}{(\text{Total Combined Production})} = \frac{(52,089 \text{ MCF})}{(81,707 \text{ MCF})} = 63.8\%$$

$$\text{Dakota \%} = \frac{(\text{Total Dakota Production})}{(\text{Total Combined Production})} = \frac{(29,618 \text{ MCF})}{(81,707 \text{ MCF})} = 36.2\%$$

Oil Allocation:

$$\text{Mesa Verde \%} = \frac{(\text{Total Mesa Verde Production})}{(\text{Total Combined Production})} = \frac{(1140 \text{ Bbl. Oil})}{(1,399 \text{ Bbl. Oil})} = 81.5\%$$

$$\text{Dakota \%} = \frac{(\text{Total Dakota Production})}{(\text{Total Combined Production})} = \frac{(259 \text{ Bbl. Oil})}{(1,399 \text{ Bbl. Oil})} = 18.5\%$$