BURLINGTONRESCURCES

July 16, 2003

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

Re:

San Juan 29-7 Unit #127M O Section 19, T-29-N, R-7-W

30-039-25586





Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 7-11-03. DHC-1140az was issued for this well.

Gas:

Mesaverde

73%

Dakota

27%

Oil:

Mesaverde

100%

Dakota

0%

These gas percentages were calculated using rate-time reserve estimate comparisons for each respective formation. The oil percentages are based on cumulative production through February, 2003.

Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

San Juan 29-7 Unit 127M Unit O, Sec. 19, T29N, R07W Rio Arriba County, New Mexico

Production Allocation Based On Remaining Reserves by Formation

	Rate		% Allocation	
	MMSCF	* Bbl Oil	% Gas	% Oil
Mesaverde	2,087	3.77	73%	100%
Dakota	784	0.01	27%	0%
Total	2,872	3.78	100%	100%

Gas Allocation: Mesaverde	(Total Mesaverde Production)	·	73%
	(Total Combined Production)	2,872 MCF	
Dakota	(Total Dakota Production)	784.37 MCF	270/
	(Total Combined Production) 2871.86 MCF		21 /0
* Oil Allocation: Mesaverde	(Total Mesaverde Production)(Total Combined Production)	4 Bbl Oil 4 Bbl Oil	100%
Dakota	(Total Dakota Production)(Total Combined Production)	0 Bbl Oil == 4 Bbl Oil	0%

^{*} Oil Allocation based on cumulative production through 02/03.