

BURLINGTON RESOURCES

February 2, 2001



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

Re: San Juan 27-5 Unit #70
G Section 8, T-27-N, R-5-W
30-039-07131

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2736 was issued for this well.

Gas:	Mesa Verde	35%
	Dakota	65%
Oil:	Mesa Verde	83%
	Dakota	17%

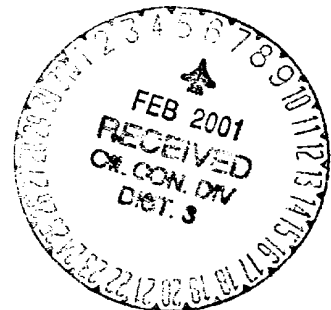
These allocations are based on historic average production from the Mesa Verde and Dakota. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management



San Juan 27-5 Unit #70
Production Allocation

Gas

*Mesaverde Cumulative Production:	1,051 MMcf	35%
*Dakota Cumulative Production:	1,984 MMcf	65%
Total:	<u>3,034</u>	<u>100.0%</u>

Oil

*Mesaverde Cumulative Production:	1,212 BBls	83%
*Dakota Cumulative Production:	250 BBls	17%
Total:	<u>1,462</u>	

*Allocation Formula Basis: The fixed percentages are based on cumulative production from 7/62 - 2/00.

*Mesaverde Daily Production:	95 Mcfd	39%
*Dakota Daily Production:	150 Mcfd	61%
Total:	<u>245</u>	<u>100.0%</u>

Due to recent downhole production problems, an allocation based on cumulative production is expected to be more accurate. Please refer to the attached production plots.