

# BURLINGTON RESOURCES

October 31, 2002

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

Re: San Juan 27-4 Unit #123  
A Section 7, T-27-N, R-4-W  
30-039-21033

Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled on 8-23-02. DHC-537az was issued for this well.

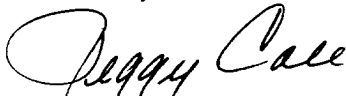
Gas: Pictured Cliffs 10%  
Mesaverde 90%

Oil: Pictured Cliffs 0%  
Mesaverde 100%

These percentages were calculated using cumulative production amounts for each respective formation.

Please let me know if you have any questions.

Sincerely,

  
Peggy Cole  
Regulatory Supervisor

Xc: NMOCD – Santa Fe  
Bureau of Land Management

**SAN JUAN 27-4 UNIT 123**  
**Unit A, Sec. 7, T27N, R04W**  
**Rio Arriba County, New Mexico**

**Production Allocation Based On Cumulative Production**

|                 | Cumulative Production |         | % Allocation |       |
|-----------------|-----------------------|---------|--------------|-------|
|                 | MMSCF                 | Bbl Oil | % Gas        | % Oil |
| Mesaverde       | 1,005                 | 3.31    | 90%          | 100%  |
| Pictured Cliffs | 109                   | 0.00    | 10%          | 0%    |
| Total           | 1,114                 | 3.31    | 100%         | 100%  |

**Gas Allocation:**

|                  |                              |           |       |
|------------------|------------------------------|-----------|-------|
|                  | (Total Mesaverde Production) | 1,005 MCF |       |
| <b>Mesaverde</b> | -----                        | -----     | = 90% |
|                  | (Total Combined Production)  | 1,114 MCF |       |

|                        |                                    |             |       |
|------------------------|------------------------------------|-------------|-------|
|                        | (Total Pictured Cliffs Production) | 108.76 MCF  |       |
| <b>Pictured Cliffs</b> | -----                              | -----       | = 10% |
|                        | (Total Combined Production)        | 1114.24 MCF |       |

**Oil Allocation:**

|                  |                              |           |        |
|------------------|------------------------------|-----------|--------|
|                  | (Total Mesaverde Production) | 3 Bbl Oil |        |
| <b>Mesaverde</b> | -----                        | -----     | = 100% |
|                  | (Total Combined Production)  | 3 Bbl Oil |        |

|                        |                                    |           |      |
|------------------------|------------------------------------|-----------|------|
|                        | (Total Pictured Cliffs Production) | 0 Bbl Oil |      |
| <b>Pictured Cliffs</b> | -----                              | -----     | = 0% |
|                        | (Total Combined Production)        | 3 Bbl Oil |      |