

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

November 9, 1998

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

Re: San Juan 27-4 Unit #121
1020' FNL 980' FEL Section 18, T-27-N, R-4-W, San Juan
30-039-20973

Gentlemen:

The above referenced well is a Mesa Verde/Pictured Cliffs commingle. Order DHC-2107 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	92.73 % gas	97.75 % oil
Pictured Cliffs-	7.27 % gas	2.25 % oil

These percentages are based on historical data for the Mesa Verde and Pictured Cliffs.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

San Juan 27-4 #121
 Sec. 18, T27N R4W
 Rio Arriba County, New Mexico

Production Allocation Based On Cumulative Production Through 06/98

	Cumulative Production		% Allocation	
	MCF	Bbl Oil	% Gas	% Oil
Mesa Verde	1,712,843	6,336	92.73%	97.75%
Pictured Cliffs	134,341	146	7.27%	2.25%
Total	1,847,184	6,482	100.00%	100.00%

Gas Allocation:

Mesa Verde
 (Total Mesa Verde Production) 1,712,843 MCF

 (Total Combined Production) 1,847,184 MCF = **92.73%**

Pictured Cliffs
 (Total Pictured Cliffs Production) 134341 MCF

 (Total Combined Production) 1847184 MCF = **7.27%**

Oil Allocation:

Mesa Verde
 (Total Mesa Verde Production) 6,336 Bbl Oil

 (Total Combined Production) 6,482 Bbl Oil = **97.75%**

Pictured Cliffs
 (Total Pictured Cliffs Production) 146 Bbl Oil

 (Total Combined Production) 6,482 Bbl Oil = **2.25%**