

BURLINGTON RESOURCES

June 30, 1999

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

Re: San Juan 27-4 Unit #17
M Section 29, T-27-N, R-4-W
30-039-06865

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2187 was issued for this well.

Gas:	Mesa Verde	95%
	Pictured Cliffs	5%
Oil:	Mesa Verde	50%
	Pictured Cliffs	50%

These allocations are based on historic production and isolated flow tests from the Mesa Verde and Pictured Cliffs during completion operations. Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe
Bureau of Land Management – Farmington

Calculations for San Juan 27-4 Unit #17 - PC/MV

M 29 T27N R04W

Commingled
Tapacito Pictured Cliffs
Blanco Mesaverde

This is a PC/MV producer with Pictured Cliffs and Mesaverde production streams commingled per DHC

PC/MV commingled production after MV workover:	400	MCFD
	0	BOPD

PC only production:	20	MCFD
	0	BOPD

Gas Allocation

PC = $(20/400)*100$ 5 %

MV = $((400-20)/400)*100$ 95 %

Oil Allocation

Past Pictured Cliffs and Mesaverde production has not included oil. As a result, the future oil allocation recommended:

PC = 50 %

MV = 50 %