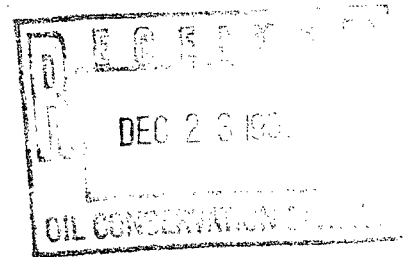


BURLINGTON RESOURCES



December 21, 1999

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

Re: San Juan 27-5 Unit #138
G Section 19, T-27-N, R-5-W
30-039-20463

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2306 was issued for this well.

Gas:	Mesa Verde	84%
	Dakota	16%
Oil:	Mesa Verde	50%
	Dakota	50%

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Cole".

Peggy Bradfield Cole
Regulatory/Compliance Administrator

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

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-5 Unit #138
(Mesaverde/Dakota) Commingle
Unit G, 19-T27N-R05W
Rio Arriba County, New Mexico

Allocation Formula Method:

1999 Six Month Dakota Average = 97 MCFD & 0 BO

1999 First Two Month Commingled Average = 595 MCFD & 0 BO

1999 Commingled Production - 1999 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 97 \text{ MCFD}}{(MV \& DK) 595 \text{ MCFD}} = (DK) \% \text{ Dakota 16\%}$$

$$\frac{(MV \& DK) 595 \text{ MCFD (100\%)} - (DK) 97 \text{ MCFD (16\%)}}{(MV \& DK) 595 \text{ MCFD (100\%)}} = (MV) \% \text{ Mesaverde 84\%}$$

OIL:

$$\frac{(DK) 0 \text{ BOPD}}{(MV \& DK) 0 \text{ BOPD}} = (DK) \% \text{ Dakota 50\%}$$

$$\frac{(MV \& DK) 0 \text{ BOPD (100\%)} - (DK) 0 \text{ BOPD (50\%)}}{(MV \& DK) 0 \text{ BOPD (100\%)}} = (MV) \% \text{ Mesaverde 50\%}$$