

BURLINGTON RESOURCES

June 9, 2000

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

Re: San Juan 27-5 Unit #163
L Section 18, T-27-N, R-5-W
30-039-20671

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2308 was issued for this well.

Gas:	Mesa Verde	84%
	Dakota	16%
Oil:	Mesa Verde	100%
	Dakota	0%

These allocations are based on production averages from the Mesa Verde and Dakota after recompletion operations. Please let me know if you have any questions.

Sincerely,



Peggy 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 #163
(Mesaverde/Dakota) Commingle
Unit L, 18-T27N-R05W
Rio Arriba County, New Mexico

Allocation Formula Method:

1999 Four Month Dakota Average = 97 MCFD & 0 BO

1999 First Four Months Commingled Average = 599 MCFD & 0 BO

1999 Commingled Production - 1999 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 97 \text{ MCFD}}{(MV \& DK) 599 \text{ MCFD}} = (DK) \% \text{ Dakota 16\%}$$

$$\frac{(MV \& DK) 599 \text{ MCFD (100\%)} - (DK) 97 \text{ MCFD (16\%)}}{(MV) \% \text{ Mesaverde 84\%}}$$

OIL: **

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

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

*** Dakota has history of oil production, although oil production was zero for the four months previous to the workover. Mesaverde had no oil show in production test.*