

BURLINGTON RESOURCES

OIL CONSERVATION DIV.

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April 23, 2002

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

Re: San Juan 27-5 Unit #86M
J Section 9, T-27-N, R-5-W
30-039-22394

REVISED

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well for the Lewis pay add that was completed 7-31-01. DHC-1517 was issued for this well.

Gas:	Mesaverde	33%
	Dakota	67%

Oil:	Mesaverde	41%
	Dakota	59%

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation. Because the Lewis formation was the only formation added during operations, the oil allocation has stayed the same as it was prior to working over the well. Please let me know if you have any questions.

Sincerely,


Peggy Cole
Regulatory Supervisor

Xc: NMOCD - Santa Fe
Bureau of Land Management

Production Allocation Documentation

San Juan 27-5 Unit #86M

Production Allocation

Based on Remaining Reserves

Lewis Payadd July 2001

REVISED

GAS

	<u>RR</u>	<u>Allocation %</u>
Dakota	573.9	67%
All	<u>858.4</u>	
Mesaverde	284.6	33%

Condensate

Since only the Lewis was added, and the Lewis is not an oil-producing formation, the condensate allocation remains the same.