

***BURLINGTON
RESOURCES***

SAN JUAN DIVISION

August 18, 1998

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

Re: San Juan 27-5 Unit #115M
NW Section 23, T-27-N, R-5-W
30-039-25824

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1988 was issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|--------------|----------|----------|
| Mesa Verde - | 49 % gas | 50 % oil |
| Dakota - | 51 % gas | 50 % oil |

These percentages 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,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-5 Unit #115M
(Mesaverde/Dakota)Commingle
Unit E, 23-T27N-R05W
Rio Arriba County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 451 MCFD & 0 BO

3 Hour Flow Test from Dakota = 473 MCFD & 0 BO

GAS:

$$\frac{(MV) 451 \text{ MCFD}}{(MV \& DK) 924 \text{ MCFD}} = (MV) \% \text{ Mesaverde 49\%}$$

$$\frac{(DK) 473 \text{ MCFD}}{(MV \& DK) 924 \text{ MCFD}} = (DK) \% \text{ Dakota 51\%}$$

OIL:

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

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