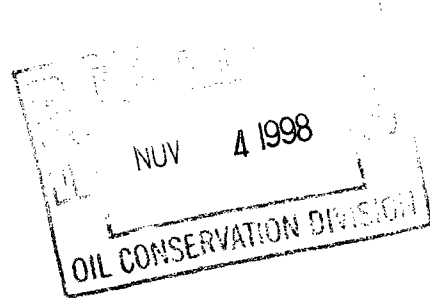


***BURLINGTON
RESOURCES***

SAN JUAN DIVISION



October 28, 1998

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

Re: San Juan 27-4 Unit #41M
1990'FNL, 870'FWL, Section 7, T-27-N, R-4-W
30-039- 25955

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-2065 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	47 % gas	50 % oil
Dakota -	53 % 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,

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

Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-4 Unit #41M
(Mesaverde/Dakota)Commingle
Unit E, 07-T27N-R04W
Rio Arriba County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 534 MCFD & 0 BO

3 Hour Flow Test from Dakota = 611 MCFD & 0 BO

GAS:

$$\frac{(MV) 534 \text{ MCFD}}{(MV \& DK) 1,145 \text{ MCFD}} = (MV) \% \text{ Mesaverde 47\%}$$

$$\frac{(DK) 611 \text{ MCFD}}{(MV \& DK) 1,145 \text{ MCFD}} = (DK) \% \text{ Dakota 53\%}$$

OIL:

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

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