

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-4 Unit #50E
(Mesaverde/Dakota) Commingle
Unit C, 19-T27N-R04W
Rio Arriba County, New Mexico

Allocation Formula Method:

1999 Six Month Dakota Average = 112 MCFD & 0 BO

1999 First Two Month Commingled Average = 755 MCFD & 0 BO

1999 Commingled Production - 1999 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 112 \text{ MCFD}}{(MV \& DK) 755 \text{ MCFD}} = (DK) \% \text{ Dakota 15\%}$$

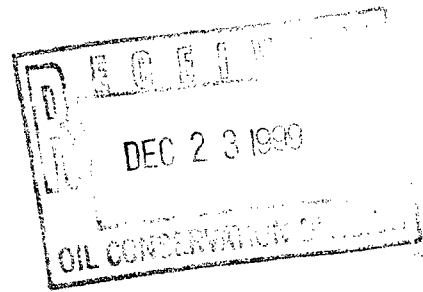
$$\frac{(MV \& DK) 755 \text{ MCFD (100\%)} - (DK) 112 \text{ MCFD (15\%)}}{(MV \& DK) 755 \text{ MCFD (100\%)}} = (MV) \% \text{ Mesaverde 85\%}$$

OIL:

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

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

BURLINGTON RESOURCES



December 21, 1999

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

Re: San Juan 27-4 Unit #50E
C Section 19, T-27-N, R-4-W
30-039-23727

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2266 was issued for this well.

Gas:	Mesa Verde	85%
	Dakota	15%
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,

Peggy Bradfield Cole
Regulatory/Compliance Administrator

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