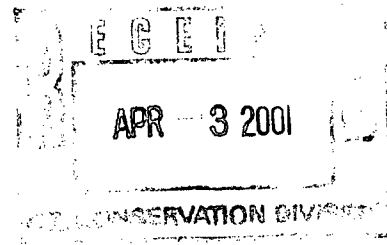


BURLINGTON RESOURCES



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

Re: San Juan 27-5 Unit #53
M Section 5, T-27-N, R-5-W
30-039-07158

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2626 was issued for this well.

Gas:	Pictured Cliffs	5%
	Mesaverde	95%

Oil:	Pictured Cliffs	0%
	Mesaverde	0%

These allocations are based on historic production data from the Pictured Cliffs and Mesa Verde during work over operations. Please let me know if you have any questions.

Sincerely,

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

Peggy Cole
Regulatory Supervisor

Xc: NMOCD - Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-5 #53
(Pictured Cliffs / Mesaverde) Commingle
Unit M, 05-T27N-R5W
Rio Arriba County, New Mexico

Allocation Formula Method:

3 Month Post-Workover Production Pictured Cliffs = 50 MCFD & 0 BO

3 Month Pre-Workover Production Mesaverde = 947 MCFD & 0 BO

GAS:

$$\frac{(PC) 50 \text{ MCFD}}{(PC / MV) 997 \text{ MCFD}} = (PC) \% \text{ Pictured Cliffs } 5\%$$

$$\frac{(MV) 947 \text{ MCFD}}{(PC / MV) 997 \text{ MCFD}} = (MV) \% \text{ Mesaverde } 95\%$$

OIL:

$$\frac{(PC) 0 \text{ BO}}{(PC / MV) 0 \text{ BO}} = (PC) \% \text{ Pictured Cliffs } 0\%$$

$$\frac{(MV) 0 \text{ BO}}{(PC / MV) 0 \text{ BO}} = (MV) \% \text{ Mesaverde } 0\%$$