BURLINGTONRESOURCES

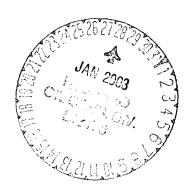
January 22, 2003

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

Re:

San Juan 27-5 Unit #31 A Section 24, T-27-N, R-5-W

30-039-07022



Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 11-8-02. DHC-600az was issued for this well.

Gas:

Pictured Cliffs

15%

Mesaverde

85%

Oil:

Pictured Cliffs

0%

Mesaverde

100%

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation before and after work over operations. Oil allocation is based on cumulative production through January, 2003.

Please let me know if you have any questions.

Sincerely,

Peggy Colé

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

Production Allocation SAN JUAN 27-5 UNIT 31

Unit A Sec. 24 T27N R05W Rio Arriba County, New Mexico

Production Allocation Based On Remaining Reserves

	Remaining Reserves		% Allocation	
	MMSCF	* Bbl Oil	% Gas	% Oil
Mesaverde	815	1.48	85%	100%
Pictured Cliff	147	0.00	15%	0%
Total	962	1.48	100%	100%

Gas Allocation:	(Total Mesaverde Production)	815 MCF		
Mesaverde	(Total Combined Production)	962 MCF	= 85%	
Pictured Cliff	(Total Pictured Cliff Production)	147 MCF	15%	
	(Total Combined Production)	962 MCF	10 76	
* Oil Allocation: Mesaverde	(Total Mesaverde Production)(Total Combined Production)	1 Bbl Oil == 1 Bbl Oil	100%	
Pictured Cliff	(Total Pictured Cliff Production) (Total Combined Production)	0 Bbl Oil ================================	0%	

^{*} Oil Allocation based on cumulative production through 01/03.