

BURLINGTON

RESOURCES

June 28, 2004

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

Re: San Juan 29-7 Unit #69
H Section 25, T-29-N, R-7-W
30-039-07541



Gentlemen:

Attached is a copy of the allocation for the subject well that was completed 8/27/03. DHC-1104az was issued for this well.

Gas: Pictured Cliffs 10%
Mesaverde 90%

Oil: Pictured Cliffs 10%
Mesaverde 90%

These percentages are based upon isolated flow tests from the Chacra and Mesaverde formations during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future.

Please let me know if you have any questions.

Sincerely,

Nancy Oltmanns
Nancy Oltmanns
Senior Staff Specialist

xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

San Juan 29-7 Unit 69
(Pictured Cliffs/Mesaverde) Commingle
Unit H, 25-T29N-R07W
Rio Arriba County, New Mexico

Allocation Formula Method:

Separator test from Pictured Cliffs = 41 MCFD & 0 BO

Separator test from Mesaverde = 387 MCFD & 0 BO

GAS:

$$\frac{(PC) 41 \text{ MCFD}}{(PC/MV) 428 \text{ MCFD}} = (PC) \% \text{ Pictured Cliffs 10\%}$$

$$\frac{(PC) 387 \text{ MCFD}}{(PC/MV) 428 \text{ MCFD}} = (MV) \% \text{ Mesaverde 90\%}$$

OIL:

$$\frac{(PC) 0 \text{ BO}}{(PC/MV) 0 \text{ BO}} = (PC) \% \text{ Pictured Cliffs 10\%}$$

$$\frac{(PC) 0 \text{ BO}}{(PC/MV) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 90\%}$$