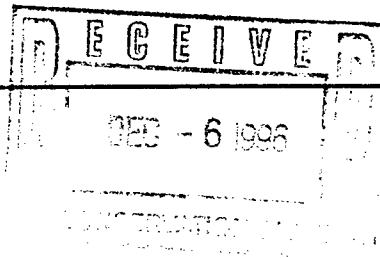


BURLINGTON RESOURCES

SAN JUAN DIVISION



December 4, 1996

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Att: Mr. Ben Stone

Dear Mr. Stone:

In June 1996 applications were made for and administrative orders were received for downhole commingling of the following wells. In the original application, the proposed allocation method was the subtraction method.

| | |
|-------------------------------------|----------|
| San Juan 27-5 Unit #40E, now #40M | DHC 1279 |
| San Juan 27-5 Unit #125E, now #125M | DHC 1280 |
| San Juan 27-5 Unit #126E, now #126M | DHC 1281 |
| San Juan 27-5 Unit #163E, now #163M | DHC 1282 |

As we discussed this morning, we would like to amend our allocation method to a method approved by the District Office of the New Mexico Oil Conservation Division. This will afford us greater flexibility in determining the most accurate allocation formula.

We would appreciate your earliest consideration of these amendments. 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

pb

xc: NMOCD District Office - Aztec