

BURLINGTON RESOURCES

SAN JUAN DIVISION

September 30, 1997

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

Re: San Juan 27-5 Unit #103E
990'FSL, 790'FEL Section 14, T-27-N, R-05-W, Rio Arriba County, NM
API #30-039-23897

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-1506 was issued for the commingling. The following allocation formula is submitted for your approval:

| | | |
|--------------|----------|----------|
| Mesa Verde - | 56 % gas | 36 % oil |
| Dakota - | 44 % gas | 64 % oil |

These percentages are based upon pre-recompletion rates for the Dakota only and post completion rates for the Mesa Verde and Dakota commingled.

Please let me know if you have any questions.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: Bureau of Land Management
NMOCD - Santa Fe

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

**San Juan 27-5 Unit #103E
(Mesaverde/Dakota)Commingled
Unit P, 14-T27N-R05W
Rio Arriba County, New Mexico**

Allocation Formula Method:

1996 Dakota Average = 257 MCFD & 0.9 BO

1997 Commingled Production = 579 MCFD & 1.4 BO

1997 Commingled Production - 1996 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 257 \text{ MCFD}}{(MV \& DK) 579 \text{ MCFD}} = (DK) \% \text{ Dakota 44\%}$$

$$\frac{(MV \& DK) 579 \text{ MCFD (100\%)} - (DK) 257 \text{ MCFD (44\%)}}{(MV \& DK) 579 \text{ MCFD (100\%)}} = (MV) \% \text{ Mesaverde 56\%}$$

OIL:

$$\frac{(DK) 0.9 \text{ BOPD}}{(MV \& DK) 1.4 \text{ BOPD}} = (DK) \% \text{ Dakota 64\%}$$

$$\frac{(MV \& DK) 1.4 \text{ BOPD (100\%)} - (DK) 0.9 \text{ BOPD (64\%)}}{(MV \& DK) 1.4 \text{ BOPD (100\%)}} = (MV) \% \text{ Mesaverde 36\%}$$