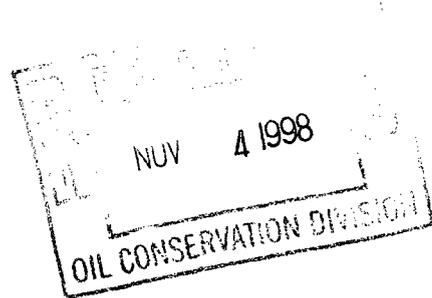


**BURLINGTON
RESOURCES**

SAN JUAN DIVISION



October 28, 1998

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

Re: San Juan 27-4 Unit #41M
1990'FNL, 870'FWL, Section 7, T-27-N, R-4-W
30-039- 25955

Gentlemen:

The above referenced well is a Mesa Verde/Dakota commingle. Order DHC-2065 was issued for the commingling. The following allocation formula is submitted for your approval:

Mesa Verde -	47 % gas	50 % oil
Dakota -	53 % gas	50 % oil

These percentages are based on isolated flow tests from the Mesa Verde and Dakota during completion operations.

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 27-4 Unit #41M
(Mesaverde/Dakota)Commingle
Unit E, 07-T27N-R04W
Rio Arriba County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 534 MCFD & 0 BO

3 Hour Flow Test from Dakota = 611 MCFD & 0 BO

GAS:

$$\frac{(MV) 534 \text{ MCFD}}{(MV \& DK) 1,145 \text{ MCFD}} = (MV) \% \text{ Mesaverde 47\%}$$

$$\frac{(DK) 611 \text{ MCFD}}{(MV \& DK) 1,145 \text{ MCFD}} = (DK) \% \text{ Dakota 53\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV \& DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 50\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV \& DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 50\%}$$