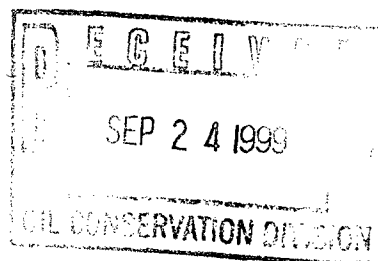


BURLINGTON RESOURCES

September 22, 1999



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

Re: San Juan 27-5 Unit #124M
O Section 28, T-27-N, R-5-W
30-039-26050

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well/ DHC-2218 was issued for this well.

Gas:	Mesa Verde	54%
	Dakota	46%
Oil:	Mesa Verde	50%
	Dakota	50%

These allocations 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,

A handwritten signature in cursive script, appearing to read "Peggy Cole".

Peggy Bradfield Cole
Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe
Bureau of Land Management – Farmington

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

San Juan 27-5 Unit #124M
(Mesaverde/Dakota) Commingle
Unit O, 28-T27N-R5W
Rio Arriba County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 745 MCFD & 0 BO

3 Hour Flow Test from Dakota = 647 MCFD & 0 BO

GAS:

$$\frac{(MV) 745 \text{ MCFD}}{(MV \& DK) 1,392 \text{ MCFD}} = (MV) \% \text{ Mesaverde 54\%}$$

$$\frac{(DK) 647 \text{ MCFD}}{(MV \& DK) 1,392 \text{ MCFD}} = (DK) \% \text{ Dakota 46\%}$$

OIL:

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

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