

BURLINGTON RESOURCES

February 4, 2000

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

Re: San Juan 27-5 Unit #163
L Section 18, T-27-N, R-5-W
30-039-20671

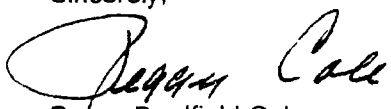
Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2308 was issued for this well.

Gas:	Mesa Verde	86%
	Dakota	14%
Oil:	Mesa Verde	50%
	Dakota	50%

These allocations are based on isolated flow tests and production average from the Mesa Verde and Dakota. Please let me know if you have any questions.

Sincerely,



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 #163
(Mesaverde/Dakota) Commingle
Unit L, 18-T27N-R05W
Rio Arriba County, New Mexico

Allocation Formula Method:

1999 Three Month Dakota Average = 120 MCFD & 0 BO

1999 First Month Commingled Average = 633 MCFD & 0 BO

1999 Commingled Production - 1999 Dakota Average = Mesaverde Contribution

GAS:

$$\frac{(DK) 118 \text{ MCFD}}{(MV \& DK) 851 \text{ MCFD}} = (DK) \% \text{ Dakota 14\%}$$

$$\frac{(MV \& DK) 851 \text{ MCFD (100\%)} - (DK) 118 \text{ MCFD (14\%)}}{= (MV) \% \text{ Mesaverde 86\%}}$$

OIL:

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

$$\frac{(MV \& DK) 0 \text{ BOPD (100\%)} - (DK) 0 \text{ BOPD (50\%)}}{= (MV) \% \text{ Mesaverde 50\%}}$$