

BURLINGTON RESOURCES

November 10, 2000

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

Re: Zachry #40
I Section 10, T-28-N, R-10-W
30-045-25469

Gentlemen:

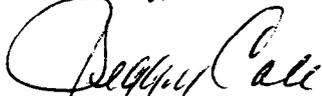
Attached is a copy of the allocation for the commingling of the subject well. DHC-2705 was issued for this well.

| | | |
|------|------------|-----|
| Gas: | Mesa Verde | 11% |
| | Gallup | 89% |

| | | |
|------|------------|-----|
| Oil: | Mesa Verde | 23% |
| | Gallup | 77% |

These allocations are based on isolated flow tests from the Mesa Verde and Gallup during completion operations. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

Zachry 40
Unit I, Sec. 10, T28N R10W
San Juan County, New Mexico

Production Allocation Based On Cumulative Production Through 11/99

| | Cumulative Production | | % Allocation | |
|------------|-----------------------|------|--------------|-------|
| | MMSCF | MSTB | % Gas | % Oil |
| Gallup | 346 | 11 | 89% | 77% |
| Mesa Verde | 42 | 3 | 11% | 23% |
| Total | 388 | 14 | 100% | 100% |

Gas Allocation:

Gallup $\frac{\text{(Total Gallup Production)} \quad 346 \text{ MCF}}{\text{(Total Combined Production)} \quad 388 \text{ MCF}} = 89\%$

Mesa Verde $\frac{\text{(Total Mesa Verde Production)} \quad 42.0824 \text{ MCF}}{\text{(Total Combined Production)} \quad 387.9494 \text{ MCF}} = 11\%$

Oil Allocation:

Gallup $\frac{\text{(Total Gallup Production)} \quad 11 \text{ Bbl Oil}}{\text{(Total Combined Production)} \quad 14 \text{ Bbl Oil}} = 77\%$

Mesa Verde $\frac{\text{(Total Mesa Verde Production)} \quad 3 \text{ Bbl Oil}}{\text{(Total Combined Production)} \quad 14 \text{ Bbl Oil}} = 23\%$