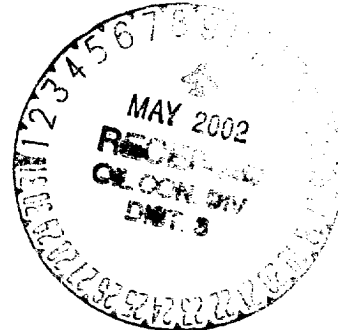



BURLINGTON RESOURCES

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

Re: Nye Federal #1M
SWNW, Section 8, T-29-N, R-10-W
30-045-30798
San Juan County, New Mexico



Gentlemen:

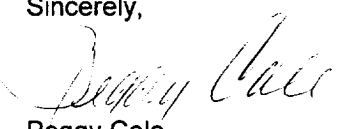
The above referenced well is a Chacra/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on May 2, 2002. DHC-2978 was issued for this well.

Gas:	Chacra	15%
	Mesa Verde	55%
	Dakota	30%

Oil:	Chacra	15%
	Mesa Verde	55%
	Dakota	30%

These percentages are based upon isolated flow test from the Mesaverde, Dakota and Chacra during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. Please let me know if you have any questions.

Sincerely,


Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Nye Federal 1M
(Mesaverde/Dakota/Chacra) Commingle
Unit E, 8-T29N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1163 MCFD & 0 BO

Separator test from Dakota = 617 MCFD & 0 BO

Separator test from Chacra = 311 MCFD & 0 BO

GAS:

$$\frac{(MV) 1163 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (MV) \% \text{ Mesaverde 55\%}$$

$$\frac{(DK) 617 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (DK) \% \text{ Dakota 30\%}$$

$$\frac{(CH) 311 \text{ MCFD}}{(MV/ CH/ DK) 2091 \text{ MCFD}} = (CH) \% \text{ Chacra 15\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 55\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 30\%}$$

$$\frac{(CH) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (CH) \% \text{ Chacra 15\%}$$