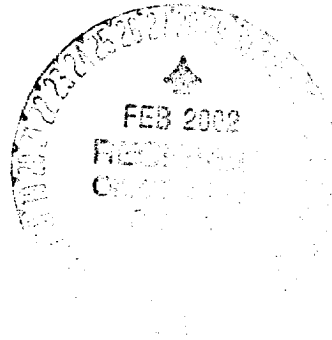


BURLINGTON RESOURCES

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

REVISED

Re: Grenier A #8B
NWNW, Section 35, T-30-N, R-10-W
30-045-30326
San Juan County, New Mexico



Gentlemen:

The above referenced well is a Mesaverde/Chacra commingle. Attached is a copy of the allocation for the commingling of the subject well completed on April 14, 2001. DHC-317az was issued for this well.

Gas: Mesa Verde 71%
Chacra 29%

Oil: Mesa Verde 71%
Chacra 29%

These allocations are based on isolated flow tests from the Mesa Verde 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 FLOW TEST INFORMATION

Grenier A #8B
(Mesaverde/Chacra) Commingle
Unit D, 35-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 703 MCFD & 0 BO

3 Hour Flow Test from Chacra = 284 MCFD & 0 BO

GAS:

$$\frac{(MV) 703 \text{ MCFD}}{(MV/CH) 987 \text{ MCFD}} = (MV) \% \text{ Mesaverde 71\%}$$

$$\frac{(CH) 284 \text{ MCFD}}{(MV/CH) 987 \text{ MCFD}} = (CH) \% \text{ Chacra 29\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/CH) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 71\%}$$

$$\frac{(CH) 0 \text{ BO}}{(MV/CH) 0 \text{ BO}} = (CH) \% \text{ Chacra 29\%}$$