BURLINGTON RESOURCES

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

Re:

Grenier #14

NENW, Section 7, T-31-N, R-11-W

30-045-10952

San Juan County, New Mexico

Gentlemen:

The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on July 16, 2001. DHC-205az was issued for this well.

Gas:

Mesa Verde

71%

Dakota

29%

Oil:

Mesa Verde

33%

Dakota

67%

The gas percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations. Because condensate production increased slightly with the addition of the Mesaverde formation, the oil has been allocated based on percentage increase of average condensate production before and after recompletion. Please let me know if you have any questions.

Sincerely.

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

Production Allocation Documentation

Grenier #14

Production Allocation
Based on Remaining Reserves
Mesaverde Recomplete August 2001

<u>GAS</u>

Pakota RR Allocation % 29%

All <u>1244.6</u>

Mesaverde 878.0 71%

Condensate

Because condensate slightly increased with the addition of the Mesaverde formation, condensate has been allocated based on percentage increase from average production before recomplete and after recomplete.

Avg BO Allocation %
Dakota 20.0 67%

All 30.0

Mesaverde 10.0 33%



