

BURLINGTON RESOURCES

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

Re: Calloway #3
SWNW, Section 22, T-31-N, R-11-W
30-045-25337
San Juan County, New Mexico

Gentlemen:

The above referenced well is a Pictured Cliffs/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on December 28, 2000. DHC-2689 was issued for this well.

Gas: Pictured Cliffs 10%
Mesa Verde 78%
Dakota 12%

Oil: Pictured Cliffs 0%
Mesa Verde 21%
Dakota 79%

The allocations for the Pictured Cliffs and Dakota formations were calculated using rate-time reserve estimate comparisons for each respective formation. The allocation for the added Mesaverde formation is based on isolated flow tests 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

Production Allocation Documentation

Calloway #3

Production Allocation

Based on Remaining Reserves

GAS

	<u>RR</u>	<u>Allocation %</u>
Dakota	138.3	12%
Pictured Cliffs	125.4	10%
All	<u>1,175.9</u>	
Mesaverde	912.2	78%

OIL

	<u>RR</u>	<u>Allocation %</u>
Dakota	1.3	79%
Pictured Cliffs	0.0	0%
All	<u>1.7</u>	
Mesaverde	0.4	21%