

BURLINGTON RESOURCES

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



Re: Dalsant #1B
SWNE, Section 24, T-32-N, R-12-W
30-045-30547
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 February 1, 2002. DHC-574az was issued for this well.

Gas: Mesa Verde 50%
Dakota 50%

Oil: Mesa Verde 50%
Dakota 50%

These allocations are based on isolated flow tests from the Mesa Verde and Dakota 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,

A handwritten signature in cursive script, appearing to read "Peggy Cole".

Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Dalsant #1B
(Mesaverde/Dakota) Commingle
Unit G, 24-T32N-R12W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 863 MCFD & 0 BO

Separator test from Dakota = 865 MCFD & 0 BO

GAS:

$$\frac{(MV) 863 \text{ MCFD}}{(MV/ DK) 1728 \text{ MCFD}} = (MV) \% \text{ Mesaverde 50\%}$$

$$\frac{(DK) 865 \text{ MCFD}}{(MV/DK) 1728 \text{ MCFD}} = (DK) \% \text{ 50\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 50\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 50\%}$$