BURLINGTO RESOURCES

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

Re: Rock Island Federal #1 SWSW, Section 9, T-29-N, R-10-W 30-045-08473

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 March 8, 2002. DHC-2968 was issued for this well.

Gas:	Dakota Mesaverde Chacra	41% 25% 34%
Oil:	Dakota Mesaverde Chacra	100% 0% 0%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations and separator tests completed on the Chacra and Mesaverde formations. Since condensate production did not increase with the addition of the Chacra and Mesaverde formations, condensate remains allocated solely to the Dakota formation. Please let me know if you have any questions.

Sincerely,

Peggy Cole Regulatory Supervisor

Xc: NMOCD – Santa Fe Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

Production Allocation Documentation

Rock Island Federal #1

Í

Production Allocation Based on Remaining Reserves Mesaverde Recomplete March 2002

GAS	SEPARATOR TEST				
Dakota	<u>RR</u> 434.0	<u>Allocation %</u> 41%	Chacra	497	58%
			Mesaverde	<u>360</u>	42%
All	<u>1,060.2</u>		Total	857	
Chacra / Mesaverde	626.2		Total	007	
FINAL ALLOCATION					
Chacra	363.2	34%			
Mesaverde	263.1	25%			

Condensate

Since condensate did not increase with the addition of the Chacra and Mesaverde formations, condensate remains allocated solely to the Dakota formation.



