BURLINGTON
RESOURCES

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

Re: Davis A Federal #1M
NESW, Section 25, T-30-N, R-11-W
30-045-29746

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 27, 2003. DHC-2910 was issued for this well.

Gas:	Mesaverde	61%
	Dakota	39%
Oil:	Mesaverde	61%
	Dakota	39%

These percentages are based upon isolated flow test from the Mesaverde 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,

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 FORMULA USING WELL TEST INFORMATION

Davis A Federal 1M
(Mesaverde/Dakota) Recompletion
Unit K, 25-T30N-R11W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1001 MCFD & 0 BO

Separator test from Dakota = 642 MCFD & 0 BO

GAS:

(MV) 1001 MCFD / (MV/ DK) 1643 MCFD = (MV) % Mesaverde 61%

(DK) 642 MCFD / (MV/ DK) 1643 MCFD = (DK) % Dakota 39%

OIL:

(MV) 0 BO / (MV/ CH/ DK) 0 BO = (MV) % Mesaverde 61%

(DK) 0 BO / (MV/ CH/ DK) 0 BO = (DK) % Dakota 39%

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

RECEIVED
SEP - 2 2003
Oil Conservation Division

IN REPLY REFER TO
NM - 03583 et al. (wc)
3162.7 (07100)

August 26, 2003

Peggy Cole
Burlington Resources
P.O. Box 4289
Farmington, NM 87401

Re: Accept Commingle Applications and Allocation Method:

Dear Ms. Cole:

The following wells were reviewed for downhole commingling. After reviewing the production history for these wells, we concur with the allocation factors you established. The effective date is the date that downhole commingling actually occurs. The approved allocation factors are listed below. In the case where oil allocations were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

Well Name	Location	API #	Lease # CA # / PA#	Formation Allocation	Formation Allocation
San Juan 28-6 Unit # 232	G sec 07, T27N, R-6-W	3003926869	NM - 03583	FC gas 28% oil 28%	PC gas 72% oil 72%
San Juan 29-7 Unit # 190	I sec 16, T29N, R-7-W	3003927333	STATE	FC gas 15% oil 15%	PC gas 85% oil 85%
Davis A Federal # 1M	sec 25, T30N, R-11-W	3004529746	SF - 080869	MV gas 61% oil 61%	DK gas 39% oil 39%
Lambe # 2 B	sec 20, T31N, R-10-W	3004530745	NM - 03187	MV gas 64% oil 64%	DK gas 36% oil 36%

If you have any questions, please contact Matt Halbert, at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team

cc:

NMOCD, Aztec, NM
NMOCD, Santa Fe, NM