

BURLINGTON RESOURCES

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

Re: Grenier B #3
NESW, Section 5, T-29-N, R-10-W
30-045-08695
San Juan County, New Mexico

Gentlemen:

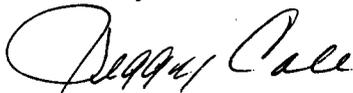
The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on November 30, 1998. DHC-1871 was issued for this well.

Gas:	Mesa Verde	90%
	Dakota	10%

Oil:	Mesa Verde	23%
	Dakota	77%

These allocations were calculated using rate-time reserve estimate comparisons for each respective formation. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA BASED ON REMAINING RESERVES

Grenier B #3
(Dakota/Mesaverde) Commingle
Unit K, 5-T29N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Capital Workover - December 1998
(effective January 1999)

GAS:

	<u>EUR</u>	<u>Cum</u>	<u>RR</u>	<u>Gas Allocation %</u>
Dakota	595.7	471.6	124.1	10%
Both Formations	<u>1576.2</u>	<u>334.6</u>	<u>1241.6</u>	
Mesaverde	980.5			90%

OIL:

	<u>EUR</u>	<u>RR</u>	<u>Oil Allocation %</u>
Dakota	8.3	3.0	77%
Both	<u>4.5</u>	<u>3.9</u>	
Mesaverde		0.9	23%