

BURLINGTON RESOURCES



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

Re: Susco 16 State #1
SWSW, Section 16, T-32-N, R-8-W
30-045-25278
San Juan County, New Mexico

Gentlemen:

The above referenced well is a Gallup/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on December 7, 2002. DHC3007 was issued for this well.

Gas:	Gallup	21%
	Dakota	79%

Oil:	Gallup	0%
	Dakota	0%

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

SUSCO 16 STATE #1
Unit M, Sec. 16, T32N, R08W
San Juan County, New Mexico

Production Allocation Based On Remaining Reserves

	Remaining Reserves		% Allocation	
	MMSCF	Bbl Oil	% Gas	% Oil
Gallup	23	0.00	21%	0%
Dakota	84	0.00	79%	0%
Total	107	0.00	100%	0%

Gas Allocation:

Gallup (Remaining Gallup Production) 23 MCF

(Remaining Combined Production) 107 MCF = 21%

Dakota (Remaining Dakota Production) 83.8 MCF

Remaining Combined Production) 106.5 MCF = 79%

Oil Allocation:

Gallup (Remaining Gallup Production) 0 Bbl Oil

(Remaining Combined Production) 0 Bbl Oil = 0%

Dakota (Remaining Dakota Production) 0 Bbl Oil

(Remaining Combined Production) 0 Bbl Oil = 0%