

PURE RESOURCES LP
c/o Mike Pippin LLC
3104 N. Sullivan
Farmington, NM 87401
(505) 327-4573

8/4/04

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

Re: Rincon Unit #159P
D Section 18 T27N R6W
30-039-27490



HP
Gentlemen,

We recommend the following gas and oil commingle allocations for the subject well, which was completed in July 2004. DHC-1367AZ was issued for this well.

Gas:	Dakota	62%
	Mesaverde	38%
Oil	Dakota	54%
	Mesaverde	46%

These Gas and Oil allocations are based on the average gas and oil allocations from all the other MV/DK commingled wells in the nine sections directly around the subject well. See the attached list of MV/DK commingled wells and their allocations from these sections. Please let me know if you have any questions.

Sincerely,

Mike Pippin

Mike Pippin
Agent - Petroleum Engineer

Attachment: 1

Rincon MV/DK Commingling Percentages

wells commingled in the 9 sections around RINCON UNIT #159P

Gas						Oil			
	LOCATION	DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON 79A	17 27 6	0.70	0.30	1.00		0.50	0.50	1.00	Total % 12-7-02
RINCON 155M	17 27 6	0.43	0.57	1.00		0.25	0.75	1.00	Eff. Sep., 2001
RINCON 161M	17 27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 157M	18 27 6	0.71	0.29	1.00	Comgl 9/02 new % eff.	0.84	0.16	1.00	
RINCON 159M	18 27 6	0.44	0.56	1.00		0.50	0.50	1.00	
RINCON #174M	19 27 6	0.59	0.41	1.00					
RINCON 174P	19 27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 174R	19 27 6	0.44	0.56	1.00	New cmgl eff 2/04	0.21	0.79	1.00	New % eff. 2/04
RINCON #170	20 27 6	0.61	0.39	1.00		0.60	0.40	1.00	
RINCON 170R	20 27 6	0.74	0.26	1.00	May 04	1.00	0.00	1.00	
RINCON #170M	20 27 6	0.75	0.25	1.00		0.50	0.50	1.00	
RINCON #175M	20 27 6	0.61	0.39	1.00					
RINCON #167M	13 27 7	0.79	0.21	1.00					
RINCON 177Q	13 27 7	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 137E	24 27 7	0.63	0.37	1.00		0.50	0.50	1.00	
AVERAGES		0.6161	0.3839	1.0000		0.5358	0.4642	1.0000	