

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 #158Q
O Section 22 T27N R6W
30-039-27523



Gentlemen,

We recommend the following gas and oil commingle allocations for the subject well. DHC-1365AZ was issued for this well.

Gas:	Dakota	59%
	Mesaverde	41%
Oil	Dakota	50%
	Mesaverde	50%

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,

A handwritten signature in cursive script that reads "Mike Pippin".

Mike Pippin
Agent - Petroleum Engineer

Attachment: 1

Rincon MV/DK Commingling Percentages

wells commingled in the 9 sections around RINCON UNIT #158Q

Gas						Oil			
	LOCATION	DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON #171M	21 27 6	0.90	0.10	1.00					
RINCON #180M	21 27 6	0.39	0.61	1.00					
RINCON 180R	21 27 6	0.69	0.31	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
RINCON 158M	22 27 6	0.51	0.49	1.00		0.50	0.50	1.00	
RINCON 158R	22 27 6	0.70	0.30	1.00		0.70	0.30	1.00	
RINCON #181M	22 27 6	0.07	0.93	1.00		0.02	0.98	1.00	eff. Feb., 2002
RINCON 146M	23 27 6	0.68	0.32	1.00	Comgl 9/02 new % eff. 3	0.33	0.67	1.00	
RINCON #173M	23 27 6	0.72	0.28	1.00					
RINCON 125M	26 27 6	0.44	0.56	1.00		0.50	0.50	1.00	
RINCON 125P	26 27 6	0.41	0.59	1.00	eff May, 2003	0.50	0.50	1.00	Total Percentages
RINCON 125R	26 27 6	0.51	0.49	1.00	eff May, 2003	0.50	0.50	1.00	Total Percentages
RINCON 182R	26 27 6	0.61	0.39	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
RINCON 126	27 27 6	0.78	0.22	1.00		0.50	0.50	1.00	
RINCON 126M	27 27 6	0.48	0.52	1.00		0.50	0.50	1.00	
RINCON 126R	27 27 6	0.64	0.36	1.00	April 04	0.22	0.78	1.00	
RINCON 126Q	27 27 6	0.60	0.40	1.00	May 04	0.51	0.49	1.00	
RINCON 165M	27 27 6	0.46	0.54	1.00	New% eff.11/02	0.58	0.42	1.00	
RINCON 127M	28 27 6	0.83	0.17	1.00		0.50	0.50	1.00	
RINCON 127R	28 27 6	0.72	0.28	1.00	eff May, 2003	0.50	0.50	1.00	
RINCON 128M	28 27 6	0.41	0.59	1.00		0.50	0.50	1.00	
RINCON 156M	16 27 6	0.85	0.15	1.00	New % eff. May, 2002	0.60	0.40	1.00	
RINCON 156R	16 27 6	0.50	0.50	1.00	eff May, 2003	0.50	0.50	1.00	
RINCON #179M	16 27 6	0.77	0.23	1.00		1.00	0.00	1.00	Appr. % 12/01
AVERAGES		0.5943	0.4057	1.0000		0.4980	0.5020	1.0000	