

# **BURLINGTON**

## **RESOURCES**

July 28, 2003

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

Re: Hanks 24  
Section 05, T-27-N, R-9-W  
30-045-23105



Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 7-14-03. DHC-1963az was issued for this well.

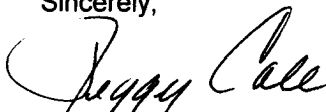
Gas: Mesaverde 86%  
Chacra 14%

Oil: Mesaverde 100%  
Chacra 0%

These gas percentages were calculated using rate-time reserve estimate comparisons for each respective formation. The oil percentages are based on cumulative production through July, 2003.

Please let me know if you have any questions.

Sincerely,

  
Peggy Cole  
Regulatory Supervisor

Xc: NMOCD – Santa Fe  
Bureau of Land Management

3401 East 30<sup>th</sup>, Post Office Box 4289, Farmington, NM 87499, 505-326-9727 Fax: 505-326-9563

### Production Allocation Based On Remaining Reserves

Remaining Reserves			% Allocation	
	MMCF	Bbl Oil	% Gas	% Oil
Chacra	22.0	0	14%	0.0%
Mesaverde	137.7	3	86%	100.0%
Total	159.7	3	100.0%	100.0%

### Gas Allocation:

	(Total Chacra Production)	22 MMCF	
<b>Chacra</b>			
	(Total Combined Production)	160 MMCF	
			= 14%

	(Total Mesaverde Production)	138 MMCF	
<b>Mesaverde</b>	-----	-----	= 86%
	(Total Combined Production)	160 MMCF	

**\* Oil Allocation:**

	(Total Chacra Production)	0 Bbl Oil	
<b>Chacra</b>			
	(Total Combined Production)	3 Bbl Oil	

	(Total Mesaverde Production)	3 Bbl Oil	
<b>Mesaverde</b>	<hr/>	<hr/>	<b>= 100%</b>
	(Total Combined Production)	3 Bbl Oil	

\* Oil allocation based on cumulative production through 7/03.