

BURLINGTON RESOURCES

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

Re: Childers #3M
SWSE, Section 1, T-31-N, R-11-W
30-045-30907
San Juan County, New Mexico

Gentlemen:

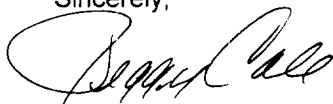
The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on May 1, 2002. DHC-700az was issued for this well.

Gas: Mesa Verde 39%
Dakota 61%

Oil: Mesa Verde 39%
Dakota 61%

These percentages are based upon isolated flow test from the Mesaverde and Dakota during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. 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 USING WELL TEST INFORMATION

Childers 3M
(Mesaverde/Dakota) Commingle
Unit O, 1-T31N-R11W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 553 MCFD & 0 BO

Separator test from Dakota = 876 MCFD & 0 BO

GAS:

$$\frac{(MV) 553 \text{ MCFD}}{(MV/ DK) 1429 \text{ MCFD}} = (MV) \% \text{ Mesaverde 39\%}$$

$$\frac{(DK) 876 \text{ MCFD}}{(MV/ DK) 1429 \text{ MCFD}} = (DK) \% \text{ Dakota 61\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 39\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 61\%}$$