

BURLINGTON

RESOURCES

June 28, 2004

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

Re: McCord B #100
M Section 23, T-30-N, R-13-W
30-045-31000

958AZ

Gentlemen:

Attached is a copy of the allocation for the subject well that was completed 12-9-02. DHC-958az was issued for this well.

Gas: Fruitland Coal 50%
Pictured Cliffs 50%

Oil: Fruitland Coal 50%
Pictured Cliffs 50%

These percentages are based upon the following information: attempts were made to lower water production during the completion. These attempts were unsuccessful. A spinner survey and a separator test were also attempted. They were also unsuccessful due to the excess water production. A pumping unit was installed and the well is producing 53 barrels of water a day. When the well is shut-in it takes at least five days to restore production. At this time it is too risky to shut-in and retest; the well may not recover. The offset wells for the respective formations were reviewed and found to be approximately equal confirming the 50/50% allocation for each formation.

Please let me know if you have any questions.

Sincerely,

Nancy Oltmanns
Nancy Oltmanns
Senior Staff Specialist

xc: NMOCD – Santa Fe
Bureau of Land Management