

BURLINGTON RESOURCES



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

Re: Montgomery #2E
SENW, Section 17, T-30-N, R-11-W
30-045-26601
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 November 27, 2002. DHC3049 was issued for this well.

Gas: Mesaverde 98%
Dakota 2%

Oil: Mesaverde 100%
Dakota 0%

These allocations are based upon an average production rate from Dakota formation and a separator test completed on the Mesaverde formation. The Dakota formation had not produced condensate in the three years prior to the addition of the Mesaverde formation. Therefore, condensate will be allocated solely to the Mesaverde formation. 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

Montgomery #2E
Mesaverde / Dakota Commingle
Section 17F, T-30-N, R-11-W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1238 MCFD & 3 BO

Average Rate from Dakota = 25 MCFD & 0 BO

GAS:

$$\frac{(MV) 1238 \text{ MCFD}}{(MV/ DK) 1263 \text{ MCFD}} = (MV) \% \text{ Mesaverde 98\%}$$

$$\frac{(DK) 25 \text{ MCFD}}{(MV/ DK) 1263 \text{ MCFD}} = (DK) \% \text{ Dakota 2\%}$$

OIL:

$$\frac{(MV) 3 \text{ BO}}{(MV/ DK) 3 \text{ BO}} = (MV) \% \text{ Mesaverde 100\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ DK) 3 \text{ BO}} = (DK) \% \text{ Dakota 0\%}$$