BURLINGTON RESOURCES

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

Re:

Reid PRI #2R

NESW, Section 13, T-29-N, R-12-W

30-045-30843

San Juan County, New Mexico





Gas:

Fruitland Coal

4%

Pictured Cliffs

96%

Oil:

Fruitland Coal

4%

Pictured Cliffs

96%

These allocations are based on isolated flow tests from the Fruitland Coal and Pictured Cliffs during completion operations. Oil was no 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

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

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Reid PRI #2R (Fruitland Coal/Pictured Cliffs) Commingle Unit K, 13-T29N-R12W San Juan County, New Mexico

Allocation Formula Method:

Separator test from Fruitland Coal = 4 MCFD & 0 BO

Separator test from Pictured Cliffs = 97 MCFD & 0 BO

GAS:

$$\frac{\text{(PC)} 97 \text{ MCFD}}{\text{(FC/ PC)} 101 \text{ MCFD}} = \text{(PC)} \% \frac{\text{Pictured Cliffs 96\%}}{\text{Pictured Cliffs 96\%}}$$

OIL: