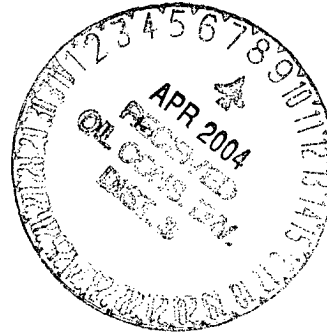


PURE RESOURCES LP  
c/o Mike Pippin LLC  
3104 N. Sullivan  
Farmington, NM 87401  
(505) 327-4573

4/7/04

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

Re: Rincon Unit #126R  
L Section 27 T27N R6W  
30-039-27314



*st*  
Gentlemen,

Attached is a copy of the commingling allocation calculations for the subject well that was completed on 3/3/04. DHC-1332AZ was issued for this well.

Gas:	Dakota	64%
	Mesaverde	36%
Oil	Dakota	22%
	Mesaverde	78%

The Dakota was 1<sup>st</sup> delivered in October 2003 and the Mesaverde was added in March 2004. The gas allocations are based on each formation's separate test, which was taken during completion operations. The Oil allocations are based on actual oil production both before and after the Mesaverde was added to the production stream. Please let me know if you have any questions.

Sincerely,

*Mike Pippin*

Mike Pippin  
Agent - Petroleum Engineer

Attachment: 1

PURE RESOURCES LP  
RINCON UNIT #126R MV/DK  
L Section 27 T27N R6W  
4/7/2004

## Commingle Allocation Calculations

### OIL

The Dakota was 1<sup>st</sup> delivered in October 2003 and the Mesaverde was added in March 2004. The Oil allocations are based on actual oil production both before and after the Mesaverde was added to the production stream.

Total oil produced by Dakota only for 96 days before MV added to production stream was 199 BO.

$$\frac{199 \text{ BO}}{96 \text{ days}} = 2.07 \text{ BOPD from Dakota}$$

Total oil produced by both Dakota and Mesaverde for 17 days after MV was added to the production stream was 163 BO.

$$\frac{163 \text{ BO}}{17 \text{ days}} = 9.59 \text{ BOPD from both Dakota and Mesaverde}$$

$$\% \text{ Dakota} = \frac{2.07}{9.59} = 22\%$$

$$\% \text{ Mesaverde} = \frac{9.59 - 2.07}{9.59} = 78\%$$

### GAS

The gas allocations are based on each formation's separate test, which was taken after its stimulation.

Dakota test was 1,072 MCF/D

Mesaverde test was 611 MCF/D

Total gas is 1,683 MCF/D

$$\% \text{ Dakota} = \frac{1,072}{1,683} = 64\%$$

$$\% \text{ Mesaverde} = \frac{611}{1,683} = 36\%$$