

BURLINGTON

RESOURCES

June 28, 2004

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

Re: Allison Unit #38N
G Section 17, T-32-N, R-6-W
30-045-30902



Gentlemen:

Attached is a copy of the allocation for the subject well that was completed 9-3-03. DHC-1296az was issued for this well.

Gas: Mesaverde 67%
Dakota 33%

Oil: Mesaverde 67%
Dakota 33%

These percentages are based upon isolated flow tests from the Mesaverde and Dakota formations 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,

Nancy Oltmanns
Senior Staff Specialist

xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Allison Unit 38N
(Mesaverde/Dakota) Commingle
Unit G, 17-T32N-R06W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1539 MCFD & 0 BO

Separator test from Dakota = 751 MCFD & 0 BO

GAS:

$$\frac{(MV) 1539 \text{ MCFD}}{(MV/ DK) 2290 \text{ MCFD}} = (MV) \% \text{ Mesaverde 67\%}$$

$$\frac{(DK) 751 \text{ MCFD}}{(MV/ DK) 2290 \text{ MCFD}} = (DK) \% \text{ Dakota 33\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 67\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 33\%}$$