

August 12, 2003

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

Re:

Bunny Et Al #1E

Section 10, T-27-N, R-9-W

30-045-26048





Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 7-14-03. DHC-1963az was issued for this well.

Gas: Mesaverde

97%

Dakota

3%

Oil:

Mesaverde

81%

Dakota

19%

These gas percentages were calculated using rate-time reserve estimate comparisons for each respective formation. The oil percentages are based on cumulative production through July, 2003.

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 Documentation

Bunny Et Al #1E

Production Allocation

Based on Remaining Reserves

Mesaverde / Dakota Recompletion

<u>Gas</u>

	RR (MMCF) Allocation %	
Mesaverde	217	97%
Dakota	<u>8</u>	3%
All	224.74	
	221.71	

<u>Oil</u>

	Oil (BOPD) Allocation %	
Mesaverde	1.24	81%
Dakota	0.30	19%
All	1.54	