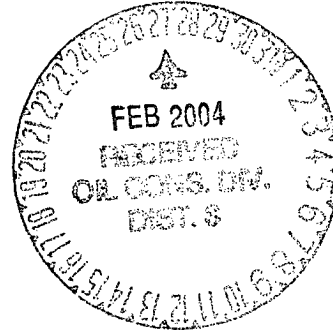


PURE RESOURCES LP  
c/o Mike Pippin LLC  
3104 N. Sullivan  
Farmington, NM 87401  
(505) 327-4573

2/27/04

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

Re: Rincon Unit #201R  
A Section 2 T26N R7W  
30-039-26725



Gentlemen,

*Handwritten initials*  
Attached is a copy of the commingling allocation calculations for the subject well that was completed on 6/4/03. DHC-887AZ was issued for this well.

Gas:	Dakota	62%
	Mesaverde	38%
Oil	Dakota	27%
	Mesaverde	73%

The Dakota was 1<sup>st</sup> delivered in September 2002 and the Mesaverde was added in May 2003. 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,

*Handwritten signature of Mike Pippin*

Mike Pippin  
Agent - Petroleum Engineer

Attachment: 1

PURE RESOURCES LP  
RINCON UNIT #201R MV/DK  
A Section 2 T27N R7W  
2/27/2004

## Commingle Allocation Calculations

### OIL

The Dakota was 1<sup>st</sup> delivered in September 2002 and the Mesaverde was added in May 2003. 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 242 days before MV added to production stream was 196 BO.

$$\frac{196 \text{ BO}}{242 \text{ days}} = 0.81 \text{ BOPD from Dakota}$$

Total oil produced by both Dakota and Mesaverde for 243 days after MV was added to the production stream was 742 BO.

$$\frac{742 \text{ BO}}{243 \text{ days}} = 3.05 \text{ BOPD from both Dakota and Mesaverde}$$

$$\% \text{ Dakota} = \frac{0.81}{3.05} = 27\%$$

$$\% \text{ Mesaverde} = \frac{3.05 - 0.81}{3.05} = 73\%$$

### GAS

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

Dakota test was 1,237 MCF/D

Mesaverde test was 750 MCF/D

Total gas is 1,987 MCF/D

$$\% \text{ Dakota} = \frac{1,237}{1,987} = 62\%$$

$$\% \text{ Mesaverde} = \frac{750}{1,987} = 38\%$$