

BURLINGTON RESOURCES

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

Re: Neudecker #7
NWSW, Section 13, T-29-N, R-10-W
30-045-08255



Gentlemen:

The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on November 2, 1998. DHC-1971 was issued for this well.

Gas: Dakota 40%
Mesaverde 60%

Oil: Dakota 40%
Mesaverde 60%

These allocations are based on historic production data from the Mesaverde and Dakota. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Cole". The signature is written in dark ink and is positioned above the printed name and title.

Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

REVISED CALCULATIONS FOR NEUDECKER #7 MV-DK

Commingled
Blanco Mesaverde
Basin Dakota

Revised Information:

The Dakota well has been producing since 1963.

The Dakota has a cumulative of 2,025 MMCF and 9,524 BO.

The Dakota capacity before the Mesaverde was opened was 50 MCF/D and intermitted oil production of +/- 0.50 BOPD.

Dakota gas rate before workover: 50 MCF/D

Completion date of workover to open MV and commingle with DK: 10/21/98.

First delivery of commingled DK-MV on 11/2/98.

Total DK and MV rate after about 2 months on line: 125 MCF/D and 1 BOPD.

GAS ALLOCATION

Dakota = $50/125 = 40\%$

Mesaverde = $(125-50)/125 = 60\%$

NEW ALLOCATION PERCENTAGES FOR CONDENSATE/OIL:

OIL ALLOCATION

Dakota = 40%

Mesaverde = 60%