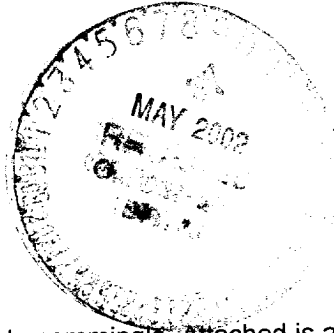


BURLINGTON RESOURCES

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

Re: Kelly #4M
SWNE, Section 35, T-30-N, R-10-W
30-045-30403
San Juan County, New Mexico



Gentlemen:

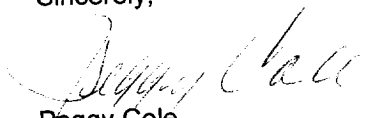
The above referenced well is a Chacra/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on May 2, 2002. DHC-2980 was issued for this well.

Gas:	Chacra	8%
	Mesa Verde	31%
	Dakota	61%

Oil:	Chacra	8%
	Mesa Verde	31%
	Dakota	61%

These percentages are based upon isolated flow test from the Mesaverde, Dakota and Chacra 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,


Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Kelly 4M
(Mesaverde/Dakota/Chacra) Commingle
Unit G, 35-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 604 MCFD & 0 BO

Separator test from Dakota = 1212 MCFD & 0 BO

Separator test from Chacra = 149 MCFD & 0 BO

GAS:

$$\frac{(MV) 604 \text{ MCFD}}{(MV/ CH/ DK) 1965 \text{ MCFD}} = (MV) \% \text{ Mesaverde 31\%}$$

$$\frac{(DK) 1212 \text{ MCFD}}{(MV/ CH/ DK) 1965 \text{ MCFD}} = (DK) \% \text{ Dakota 61\%}$$

$$\frac{(CH) 149 \text{ MCFD}}{(MV/ CH/ DK) 1965 \text{ MCFD}} = (CH) \% \text{ Chacra 8\%}$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 31\%}$$

$$\frac{(DK) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (DK) \% \text{ Dakota 61\%}$$

$$\frac{(CH) 0 \text{ BO}}{(MV/ CH/ DK) 0 \text{ BO}} = (CH) \% \text{ Chacra 8\%}$$