BURLINGTON RESOURCES

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

REVISED

Re: Childers #3

NWSW, Section 1, T-31-N, R-11-W

30-045-25936

Gentlemen:

Oil:

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 December 17, 2001. DHC-617az was issued for this well.

Gas: Mesaverde 68% Dakota 32%

Mesaverde 0%

Dakota 100%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations. Because an increase was not seen in condensate with the addition of the Mesaverde formation, condensate remains allocated solely to the Dakota formation. Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc: NMOCD - Santa Fe

Bureau of Land Management

Production Allocation Documentation

Childers #3

Production Allocation
Based on Remaining Reserves
Mesaverde Recomplete December 2001

GAS

 RR between the control of th

Mesaverde 1,287.4 68%

Condensate

Since an increase in condensate was not seen with the addition of the Mesaverde formation, condensate remains allocated soley to the Dakota formation.

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H

Gas:

Mesaverde

68%

Dakota

37%

Oil:

Mesaverde

0%

Dakota

100%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations. Because an increase was not seen in condensate with the addition of the Mesaverde formation, condensate remains allocated solely to the Dakota formation. Please let me know if you have any questions.

Sincerely.

Peggy Cole

Regulatory Supervisor

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NMOCD - Santa Fe

Bureau of Land Management

Production Allocation Documentation

Childers #3

Production Allocation
Based on Remaining Reserves
Mesaverde Recomplete December 2001

GAS

 RR between two controls
 Allocation % 37%

 All 1,893.1
 1,893.1

Mesaverde 1,287.4 68%

Condensate

Since an increase in condensate was not seen with the addition of the Mesaverde formation, condensate remains allocated soley to the Dakota formation.



