

Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82601
Phone 307 265 7331



October 4, 1978

New Mexico Oil Conservation Commission
District Office
1000 Rio Brazos Road
Aztec, New Mexico 87401

Attn: Mr. A.R. Kendrick

Re: Commission Order No. R-5819 approving downhole
commingling of gas production in Jicarilla 35 #3
Unit B, Sec 2 T24N, R5W, Rio Arriba County, NM

Dear Mr. Kendrick:

This letter is to confirm our telephone conversation of this date on the above subject. In our discussion of the proper allocation of downhole commingled Pictured Cliffs and Chacra gas production, it was agreed that the allocation suggested in the application (copy attached) was proper and consistent with the determination used for the other three wells on this lease. That is, base the allocation on the average daily production for the well for the first four months of 1978. This gives the following allocation factor - Pictured Cliffs 42%, Chacra 58%.

Very truly yours,

ENERGY RESERVES GROUP, INC.

Dean B. Barnes
District Production Engineer
Rocky Mountain District

DBB/wrh

enc.

APPROVED

SUPERVISOR DIST. 3

