OL COLSERMAN DV

02 APR 25 PM 2:01

April 23, 2002

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

Re:

San Juan 27-5 Unit #102M P Section 12, T-27-N, R-5-W

30-039-23896



Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well for the Lewis pay add that was completed 6-25-01. DHC-217az was issued for this well.

Gas:

Mesaverde

34%

Dakota

66%

Oil:

Mesaverde

43%

Dakota

57%

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation. Because the Lewis formation was the only formation added during operations, the oil allocation has stayed the same as it was prior to working over the well. Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

Production Allocation Documentation

San Juan 27-5 Unit #102M

Production Allocation
Based on Remaining Reserves
Lewis Payadd July 2001

REVISED

<u>GAS</u>

<u>RR</u>

Allocation %

Dakota

324.9

66%

All

<u>495.3</u>

Mesaverde

170.4

34%

Condensate

Since only the Lewis was added, and the Lewis is not an oil-producing formation, the condensate allocation remains the same.