April 18, 2001

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

Re:

San Juan 29-7 Unit #79B K Section 5, T-29-N, R-7-W

30-039-26222



Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-298az was issued for this well.

Gas:

Mesaverde

67%

Dakota

33%

Oil:

Mesaverde

Dakota

These allocations are based on historic production data from the Mesa Verde and Dakota. 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

Need DHC Order submitted for:

San Juan 29-7 Unit #79B

UL K, Sec 05-T29N-R07W

Mesaverde

AIN: 80480101 Prop #: 002342100

Interest: 4.4% SJBT, 62.52% BR

Allocation – Gas: 66.88% Allocation – Oil: 50.0% 0%

<u>Dakota</u>

AIN: 80480102 Prop #: 7980008

Interest: 0.0% SJBT, 100.0% BR

Allocation – Gas: 33.12% Allocation – Oil: 50.0% 0%