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

Re:

Howell C #201

B Section 3, T-29-N, R-8-W

30-045-29108

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. Order R-11363 was DHC 155AZ,11/6/0 issued for this well.

Gas:

Fruitland Coal

81%

Pictured Cliffs

19%

Oil:

Pictured Cliffs

0%

Fruitland Coal

0%

These allocations are based on historic production data from the Fruitland Coal and Pictured Cliffs during work over operations. 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 FORMULA USING FLOW TEST INFORMATION

Howell C #201 (Pictured Cliffs / Mesaverde) Commingle Unit B, 03-T29N-R08W San Juan County, New Mexico

Allocation Formula Method:

- 3 Month Post-Workover Production Fruitland Coal = 92.5 MCFD & 0 BO
- 3 Month Pre-Workover Production Pictured Cliffs = 21.5 MCFD & 0 BO

GAS:

OIL:

$$\frac{(FC) \ 0 \ BO}{(FC/PC) \ 0 \ BO} = (PC) \% \frac{Pictured Cliffs \ 0\%}{Pictured Cliffs \ 0\%}$$

$$\frac{(PC) 0 BO}{(FC/PC) 0 BO} = (MV) \% Mesaverde 0\%$$