

July 13, 2001

Mr. David Catanach
NMOCD
1220 South ST. Francis Drive
Santa Fe, New Mexico 87504



RE: Administrative Approval to Downhole Commingle
Form C-107-A
San Juan 30-4 Unit # 42A *P-1930-4*

[Signature]
Dear Mr. Catanach:

As per your request, I have reviewed the production history on the San Juan 30-4 Unit #42A application to downhole commingle the Pictured Cliffs and Mesa Verde. Your assumption is correct that I used the May test data to calculate an allocation on Form C-107-A.

The history of the well shows the Mesa Verde sanded off during October 2000. The tubing was perforated in January 2001 and the well slowly returned to a stabilized production rate. The Pictured Cliffs has historically been the stronger of the two zones. I concur due to the uncommon ownership of the well, it is critical to correctly allocate production. As show on the attached table, it is recommended the last four months production history be averaged and used for a more realistic allocation. I recommend the following gas allocation:

Pictured Cliffs	66%
Mesa Verde	34%

Neither zone produces oil

I appreciate your help in this matter. If additional information is needed, please contact me.

Sincerely,

[Signature]
Gary W. Brink
Production Superintendent

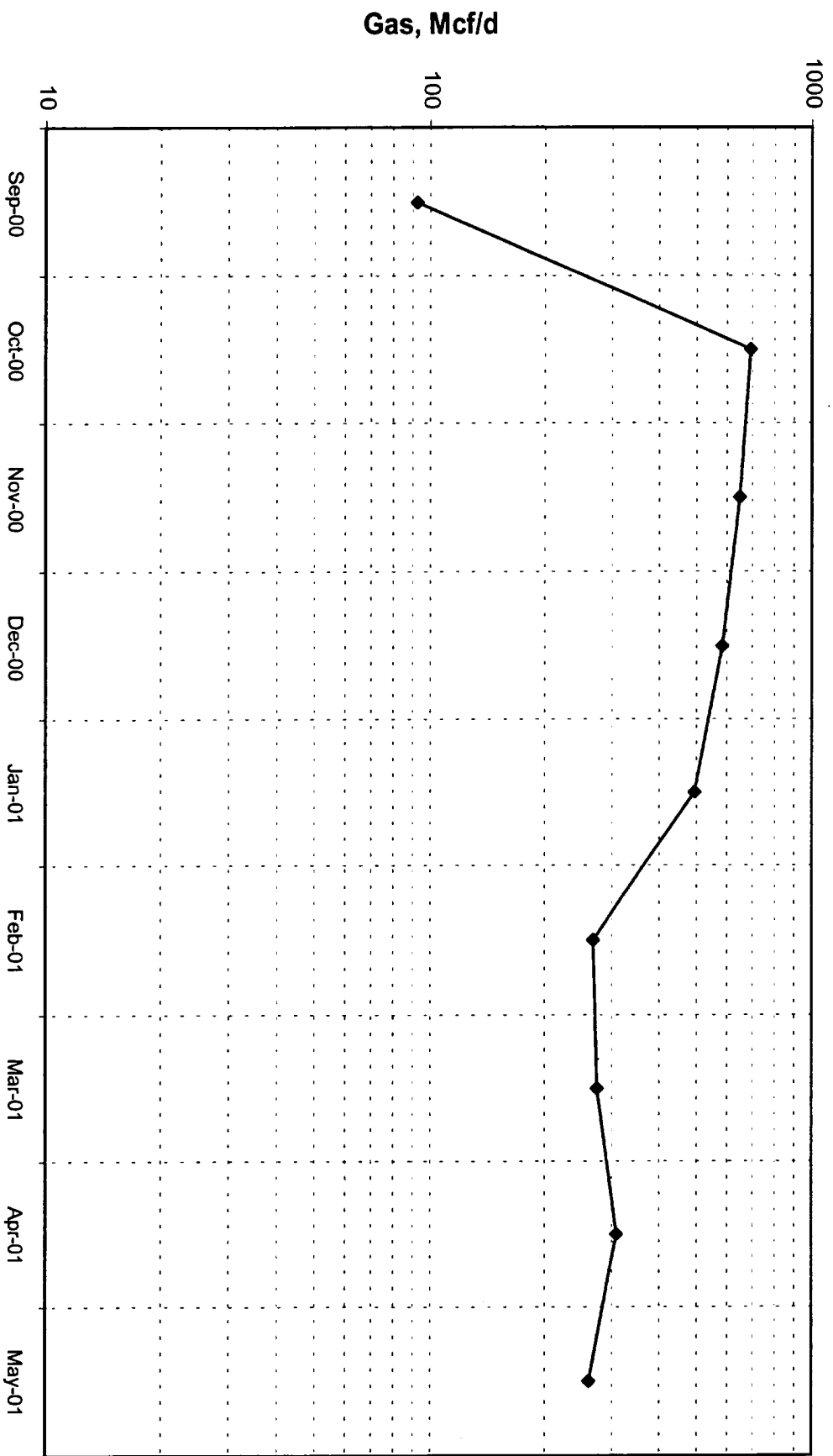
GWB/vd

cc: NMOCD – Aztec

SJ30-4#42A Production History

DP#		30 Sep-00	31 Oct-00	30 Nov-00	31 Dec-00	31 Jan-01	28 Feb-01	31 Mar-01	30 Apr-01	31 May-01	Feb-May01 Total, Mcf	
98012	MV	95	105	265	9	20	187	141	119	117		
98012	PC	92	692	649	584	495	268	274	309	261		
	%MV	51%	13%	29%	1%	4%	41%	34%	28%	31%		
	%PC	49%	87%	71%	99%	96%	59%	66%	72%	69%		
Monthly Volume, mcf												
	MV	2849	3243	7938	268	635	5246	4379	3559	3621	16805	34%
	PC	2771	21448	19460	18106	15332	7498	8505	9261	8079	33343	66%

San Juan 30-4 #42A Pictured Cliffs Production History



San Juan 30-4 #42A Mesaverde Production History

