

July 16, 2002

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

Re: San Juan 28-6 Unit #179 N Section 13, T-27-N, R-6-W 30-039-20669

Gentlemen:

Attached is a copy of the allocation for the recompletion of the subject well that was recompleted 11-5-01. DHC-2883 was issued for this well.

Gas:	Mesaverde Gallup Dakota	49% 26% 25%
Oil:	Mesaverde Gallup Dakota	0% 100% 0%

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation. Because the condensate production did not increase with the addition of the Mesaverde formation, condensate remains allocated solely to the Gallup formation.

Please let me know if you have any questions.

Sincerely,

Peggy Cole Regulatory Supervisor

Xc: NMOCD – Santa Fe Bureau of Land Management

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Production Allocation Documentation

San Juan 28-6 Unit #179

Production Allocation Based on Remaining Reserves Mesaverde Recomplete November 2001

<u>GAS</u>

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Gallup	<u>RR</u> 344.5	Allocation % 26%
Dakota	329.8	25%
All	<u>1,325.1</u>	
Mesaverde	650.9	49%

Condensate

Because an increase was not seen in condensate with the addition of the Mesaverde formation, condensate remains allocated solely to the Gallup formation.