Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80295
(303) 861-5252

P. O. Box 2038
Farmington, New Mexico 87499
(505)632-8056

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OIL CONSERVATION DIVISION
SANTA FE

October 31, 1983

State of New Mexico Land Office
Oil and Gas Department
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Ray Graham
Director, Oil and Gas Department

Re: Montoya 1M
(I) 35, T32N, R13W
San Juan Co., New Mexico

Dear Mr. Graham:

Consolidated Oil & Gas, Inc. hereby requests administrative approval to surface commingle the liquid hydrocarbons produced from this dually completed gas well. Low production volumes make it uneconomical to install separate tanks for each zone. The ownership interests of this well are the same for both zones.

As a result of our evaluation of current production and the producing characteristics of this well we have determined that a suitable allocation for the commingled liquid hydrocarbons is Dakota 25%, Mesa Verde 75%.

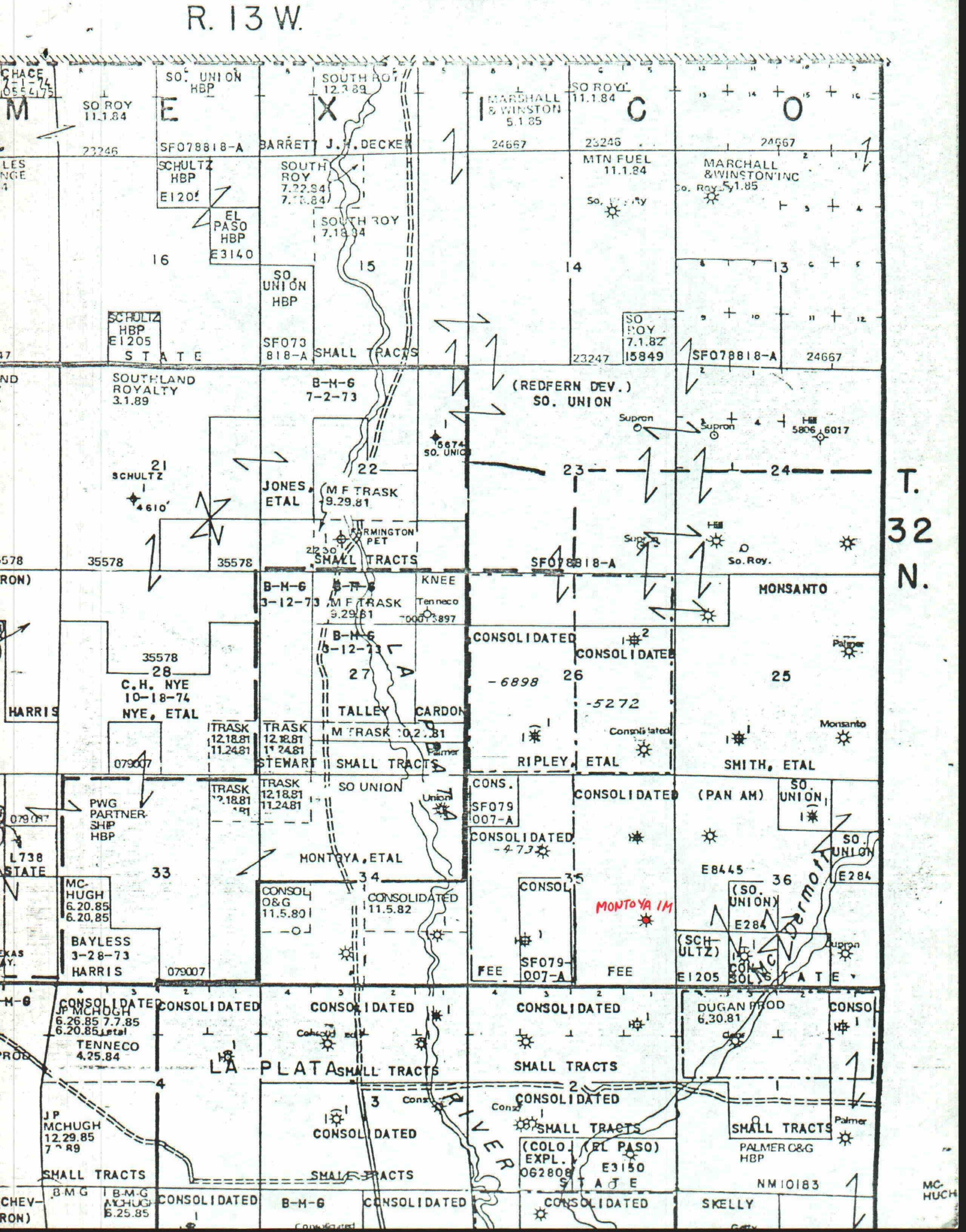
Attached please find a lease plat, an equipment diagram, and a data sheet of information supporting our request.

Very truly yours,

Barbara C. Rex

Barbara C. Rex
Production & Drilling Technician

Attachments
✓Copies: Mr. Joe D. Ramey, Director, Oil Conservation Div.



R. 13 W.
T. 32 N.
M E X I C O
SO. UNION HBP
SOUTH ROY 12.3.89
SO ROY 11.1.84
MARSHALL & WINSTON 5.1.85
SO ROY 11.1.84
SF078818-A
BARRETT
J.H. DECKER
24667
23246
SCHULTZ HBP E1205
SOUTH ROY 7.22.84
SOUTH ROY 7.18.84
MTN FUEL 11.1.84
MARCHALL & WINSTON INC 5.1.85
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TALLEY
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M TRASK 10.2.81
STEWART
SMALL TRACTS
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CONSOLIDATED (PAN AM)
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CONSOLIDATED 11.5.82
CONSOL
MONTOYA 1M
(SO. UNION)
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McDermott
BAYLESS 3-28-73
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(SCHULTZ) E1205
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DUGAN PROD 6.30.81
TENNECO 4.25.84
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JP MCHUGH 12.29.85
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(EL PASO) E3150
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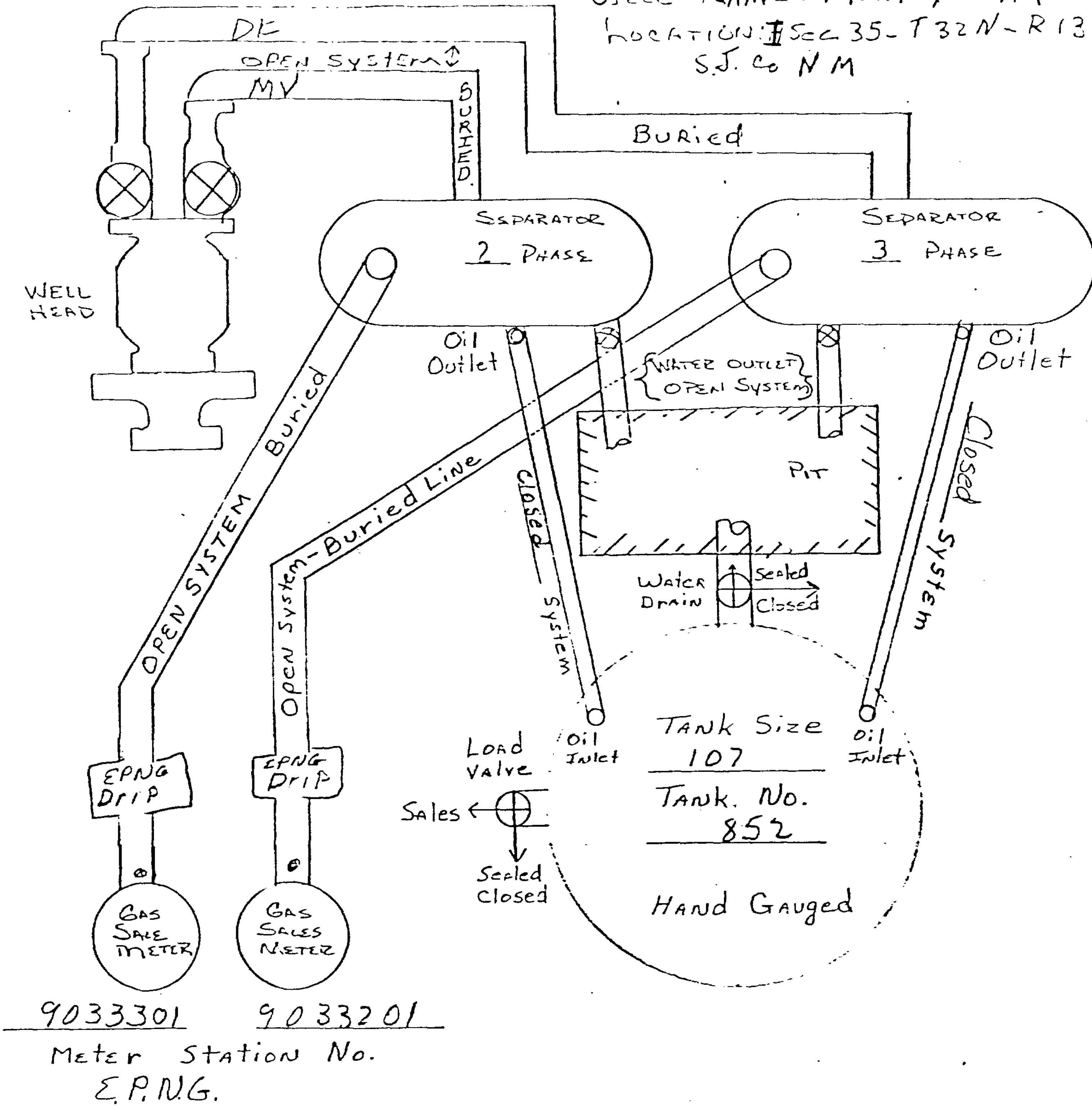
B-M-G MCHUGH 6.25.85
CONSOLIDATED
B-M-6
CONSOLIDATED
CONSOLIDATED
SKELLY

[illegible] Oil & Gas

WELL NAME: MONTOYA 1M
LOCATION: I Sec 35-T32N-R13W
S.J. Co NM



Montoya 1M

Well Data Sheet

Month 1983	Formation DK Bbls	Formation DK Days Prod	Formation DK MCF Gas	Formation MV Bbls	Formation MV Days Prod	Formation MV MCF Gas
March	28	5	412	0	27	4367
April	21	31	570	0	27	3869
May	14	31	536	0	10	975
June	6	30	488	0	11	2601
July	13	31	402	0	13	3025
Aug	3	31	515	0	0	0
Sept	2	25	424	0	2	763

Although previous liquid hydrocarbon production has not been allocated we suggest allocating all future production. (Ownership interests are the same for both zones.) Dakota 25%, Mesa Verde 75%.

Gravity: 61.7 @ 60°

Gravities are on file for each zone but no adjustment is made for gravity variance by purchasers of "Four Corners Sweet Crude". Payment by purchasers during 1983 has been approximately $29 per barrel with no adjustment for gravity.

Lease: Fee