

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

Re:

Cain #10E

SENW, Section 15, T-28-N, R-10-W

30-045-24109

San Juan County, New Mexico



Gentlemen:

The above referenced well is a Chacra/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on January 21, 2002. DHC-424az was issued for this well.

Gas:

Chacra

90%

Dakota

10%

Oil:

Chacra

0%

Dakota

100%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations. The Chacra formation does not produce any oil; therefore, oil percentages are allocated solely to the Dakota formation. Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

Production Allocation Documentation

Cain #10E

Production Allocation

Based on Remaining Reserves

Dakota / Chacra Recompletion

<u>Gas</u>

RR (MMCF) Allocation %

Chacra 911 90%

Dakota <u>101</u> 10%

All 1,012.28

<u>Oil</u>

Allocation %

Chacra 0%

Dakota 100%