

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

Re:

Angel Peak B #22E

SENW, Section 13, T-28-N, R-11-W

30-045-25530

Gentlemen:

The above referenced well is a Chacra/Gallup/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on January 9, 2002. DHC-736 was issued for this well.

Gas:

66% Chacra 14%

Gallup

20%

Dakota

Oil:

0% Chacra

Gallup

42%

Dakota

58%

The Gallup and Dakota percentages are based upon reserves assigned to each formation founded on production from the respective formations before workover operations and after workover operations on the Chacra formation. The Chacra formation does not produce any oil: therefore, oil percentages remain the same as before the addition of the Chacra formation. 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 Documentation

Angel Peak B #22E

Production Allocation

Based on Remaining Reserves

Dakota / Gallup / Chacra Recompletion

<u>Gas</u>

	RR (MMCF) Allocation %	
Gallup	44	14%
Chacra	207	66%
Dakota	<u>61</u>	20%
All	312.07	

<u>Oil</u>

RR (Bbls Oil)Allocation %

Gallup 42%

Chacra 0%

Dakota 58%

All