



November 13, 2003

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

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Carson #8
Unit M, Section 4, T 30 N, R 4 W
Rio Arriba Co., New Mexico
East Blanco Pictured Cliffs (72400) & Basin Fruitland Coal (71629)
Administrative Order R-11363, DHC 793AZ
API # 30-039-~~26647~~ 26195

Dear Mr. Hayden:

Energgen Resources recently finished a pay add and down hole commingling operations on the subject well. In accordance with the approved Administrative Order, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to commingling operations, the Pictured Cliffs was producing at a stabilized rate of 40 MCFD & 0 BOPD. The Fruitland Coal was added in October 2003 and the well was returned to production in October 2003. The well has stabilized at a rate of 90 MCFD & 0 BOPD. Decline curve analysis results in a Pictured Cliffs producing rate of 35 MCFD in November 2003, had the Fruitland Coal not been completed. The following allocation is recommended:

	<u>Gas</u>	<u>Oil</u>
Fruitland Coal	61%	NA
Pictured Cliffs	39%	NA

If additional information is needed, please contact me at 566-4680.

Sincerely Yours,

Charles J. Donahue
District Engineer