January 13, 2003

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

Re:

Jicarilla 101 #3M

E Section 1, T-26-N, R-4-W

30-039-22532

Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 11-26-02. DHG was issued for this well.

Gas:

Mesaverde

40.4%

Gallup

7.2%

Dakota

52.4%

Oil:

Mesaverde

12%

Gallup

9%

Dakota

79%

These percentages are based upon cumulative production.

Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

Jicarilla 101 3M Unit E, Sec. 01, T26N, R04W Rio Arriba County, New Mexico

Production Allocation Based On Cumulative Production

	Cumulative Production		% Allo	% Allocation	
	MMSCF	Bbl Oil	% Gas	% Oil	
Mesaverde	644.0	3,015.7	40.4%	12%	
Gallup	115.0	2,169.4	7.2%		
Dakota	835.0	19,473.5	52.4%	79%	
Total	1,594.0	24,658.6	100.0%	100%	