



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

Schalk 94 #2A
3162.7 (07100)

January 8, 2002

Mr. A. R. Kendrick

Schalk Development Company
PO Box 25825
Albuquerque, NM 87125

RE: Schalk 94 #2A - Accept downhole commingle applications & allocation factors

Dear Mr.Kendrick:

The Schalk 94 #2A well was reviewed for downhole commingling of the Pictured Cliffs and Mesaverde formations. After reviewing the production history for this well, we concur with the allocation factors established for gas and the associated hydrocarbons in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

Well Name	Lease	Location	API#	Formation Allocation	Formation Allocation
Schalk 94 #2A	NMNM6894	sec26, T32N, R8W	3004525279	PC gas 18% oil 100%	PC gas 82% oil 0%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team



cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM

bcc: 1 well file
DOMR
07100:AGarcia:1/8/02:x6358Schalk