

June 28, 2004

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

Re: Johnston A Com #5 H Section 32, T-26-N, R-6-W 30-039-25340

Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 6-23-03. DHC-1026az was issued for this well.

Gas:	Mesaverde Dakota	89% 11%	
Oil:	Mesaverde	8%	
	Dakota	92%	

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation. Oil allocation is based on cumulative production through May, 2003.

Please let me know if you have any questions.

Sincerely,

nd Nancy Oltmanhs

Senior Staff Specialist

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 Johnston A Com 5 Sec.32, T26N R06W Rio Arriba County, New Mexico

Production Allocation Based On RR:

RR			% Alloca	% Allocation	
	MMCF	Bbl Oil	% Gas	% Oil	
Dakota	156.0	3,927	11%	92.4%	
Mesaverde	1,268.4	322	89%	7.6%	
Total	1,424.4	4,249	100.0%	100.0%	

Gas Allocation:	(Total Dakota Production)	156 MMCF		
Dakota	(Total Combined Production)	= 11% 1,424 MMCF		
Mesaverde	(Total Mesaverde Production)	1,268 MMCF	= 89%	
Mesaverue	(Total Combined Production)	1,424 MMCF		
Oil Allocation:	(Total Dakota Production)			
Dakota	(Total Dakota Production)	3,927 Bbl Oil = 92%	92%	
	(Total Combined Production)	4,249 Bbl Oil		
Mesaverde	(Total Mesaverde Production)	322 Bbl Oil = 8%		
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Johnston A Com 5-Comm allocations.xls Johnston A Com 5

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