SAN JUAN DIVISION

September 17, 1998

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

Re:

Canyon Largo Unit #430

1455'FSL, 1435'FWL, Section 14, T-25-N, R-7-W, Rio Arriba County

30-039-25477

Gentlemen:

The above referenced well is a Gallup/Dakota commingle. Order DHC-1694 was issued for the commingling. The following allocation formula is submitted for your approval:

Gallup -

67.27 % gas

40.24 % oil

Dakota -

32.73 % gas

59.76 % oil

These percentages are based on historic production from the Gallup and Dakota.

Please let me know if you have any questions.

Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

XC:

Bureau of Land Management

NMOCD - Santa Fe

Canyon Largo Unit #430 Sec. 14, T25N R07W Rio Arriba County, New Mexico

Production Allocation Based On 1997 Production

	Cumulative Production		% Allocation	
	MCF	Bbl Oil	% Gas	% Oil
Dakota	4,754	1,359	32.73%	59.76%
Gallup	9,772	915	67.27%	40.24%
Total	14,526	2,274	100.00%	100.00%

Gas Allocation: Dakota	(Total Dakota Production)	4,754 MCF = 32.73%	
Dakota	(Total Combined Production)		
Gallup	(Total Gallup Production)	9772 MCF	
Ganup	(Total Combined Production)		
Oil Allocation:			
Dakota	(Total Dakota Production)	1,359 Bbl Oil	
Danoid	(Total Combined Production)		
Gallup	(Total Gallup Production)	915 Bbl Oil	
Canap	(Total Combined Production)		