

September 4, 2001

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

Re: San Juan 29-7 Unit #40A I Section 28, T-29-N, R-7-W 30-039-21918

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-1854 was issued for this well.

Gas:	Mesaverde Dakota	85% 15%
Oil:	Mesaverde Dakota	93% 7%

These allocations are based on historic production data from the Mesa Verde and Dakota. Please let me know if you have any questions.

Sincerely,

Peggý Cole Regulatory Supervisor

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

San Juan 29-7 Unit #40A Production Allocation

Gas

*Mesaverde Production:		2,369,981 Mcf	85%
*Dakota Production	_	411,587 Mcf	15%
	Total:	2,781,568	100.0%

Oil

*Mesaverde Production:		12,449 BBIs	93%
*Dakota Production		940 BBIs	7%
	Total:	13,389	100.0%

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*Used Cumulative production from 11/80-3/2001

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