

March 29, 1999

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

Re: San Juan 29-7 Unit #86A 1780'FNL, 980'FWL Section 17, T-29-N, R-7-W 30-039-22629

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. (DHC-1873-was issued for this well.

Gas:	Mesa Verde Dakota	67.5% 32.5%
Oil:	Mesa Verde Dakota	93.5% 6.5%

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

Sincerely, the full 1994

Peggy Bradfield Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe Bureau of Land Management – Farmington

3535 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

San Juan 29-7 Unit #86A Production Allocation

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Gas

*Mesaverde Production:	1,701,845 M	cf 67.5%
*Dakota Production	820,076 M	cf 32.5%
	Total: 2,521,921	100.0%

Oil

**Mesaverde Production:		9,791 BBIs	93.5%
**Dakota Production		684 BBIs	6.5%
	Total:	10,475	100.0%

*Used cumulative production through 12/96 to determine the production allocation. Both zones have very similar production trends throughout the well's life, despite the DK's greater difficulties with liquids. Because the DK had obviously developed a hole in its tubing after 12/96, did not use any of that data.