

September 17, 2001

3

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

Re: San Juan 29-7 Unit #106M C Section 36, T-29-N, R-7-W 30-039-23940

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-1933 was issued for this well.

Gas:	Mesaverde Dakota	61% 39%
Oil:	Mesaverde Dakota	85% 15%

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

Sincerely,

Péggy 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 #106M Production Allocation

Gas

*Mesaverde Cumulative		750,827	Mcf	61%
Dakota Cumulative		482,257	Mcf	39%
	Total:	1,233,084		100.0%

Oil

Dakota Cumulative	Total:	2.888	100.0%
Dakota Cumulative		435.0 BBL	15%
*Mesaverde Cumulative		2,453.0 BBL	85%

*Allocation Formula Basis: The fixed percentages are based on cumulative production (9/80 - 12/97)