

March 20, 2002

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

Re: San Juan 27-5 Unit #60A J Section 4, T-28-N, R-5-W 30-039-21858

REVISED

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well for the Lewis pay add that was completed 6-6-01. DHC-2002 was issued for this well.

Gas:	Pictured Cliffs Mesaverde	29% 71%
Oil:	Pictured Cliffs Mesaverde	0% 100%

These percentages are based upon establish production rates. The Pictured Cliffs has been produced up its own tubing string since 1980. Its average established rate is 32 MCF/D. In July 2001, the well was redelivered as a commingle. Its average rate since then is 112 MCF/D. The difference is being attributed to the Mesaverde. Because the Lewis formation was the only formation added during operations, the oil allocation has stayed the same as it was prior to working over the well. Please let me know if you have any questions.

Sincerely,

Peggy Cole Regulatory Supervisor

Xc: NMOCD – Santa Fe Bureau of Land Management

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San Juan 27-5 Unit #60A

Production Allocation Based on Established Rate through Dual Tubing Strings Lewis Payadd June 2001

REVISED

<u>GAS</u>

Pictured Cliffs	Established Rate 32.0	Allocation % 29%
All	<u>112.0</u>	
Mesaverde	80.0	71%

Condensate

Since only the Lewis was added, and the Lewis is not an oil-producing formation, the condensate allocation remains the same.