June 10, 2000

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

Re:

Grenier A #3M

D Section 34, T-30-N, R-10-W

30-045-25833

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2168 was issued for this well.

Gas:

Oil:

Dakota

Mesa Verde

60% 40%

Mesa Verde

70%

Dakota

30%

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

Sincerely.

Peggy Cole

Regulatory/Compliance Administrator

Xc:

NMOCD - Santa Fe

Bureau of Land Management - Farmington

Grenier A #3M Sec. 34, T30N R10W San Juan County, New Mexico

Production Allocation Based On Cumulative Production Through 09/98

	Cumulative Production		% Allocation	
	MCF	Bbl Oil	% Gas	% Oil
Mesa Verde	453,883	1,142	60%	70%
Dakota	332,594	492	40%	30%
Total	786,477	1,634	100%	100%

Gas Allocation:	(Total Mesa Verde Production)	
Mesa Verde	(Total Combined Production)	786,477 MCF
Dakota	(Total Dakota Production)	332594 MCF = 40 %
	(Total Combined Production)	786477 MCF
Oil Allocation:	(Total Mesa Verde Production)	1 142 Phi Oil
Mesa Verde	(Total Mesa Verde Production) (Total Combined Production)	= 70%
	(Tatal Dalieta Dandoutine)	400 PL LO"
Dakota	(Total Dakota Production) (Total Combined Production)	492 Bbl Oil = 30% 1,634 Bbl Oil