January 29, 2000

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

Re:

Kaime #2M

D Section 20, T-26-N, R-6-W

30-039-26148

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2256 was issued for this well.

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Gas	١,	

Oil:

Mesa Verde

12%

Dakota Gallup

33% 55%

Mesa Verde Dakota

33 1/3%

33 1/3%

Gallup

33 1/3%

These allocations are based on isolated flow tests from the Gallup, Mesa Verde and Dakota during completion operations. Please let me know if you have any questions.

Sincerely,

Peggy Bradfield Cole

Regulatory/Compliance Administrator

Xc:

NMOCD - Santa Fe

Bureau of Land Management - Farmington

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

Kaime #2M (Mesaverde/Gallup/Dakota) Trimingle Unit D , 20-T26N-R06W Rio Arriba County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 142 MCFD & 0 BO

3 Hour Flow Test from Dakota = 400 MCFD & 0 BO

3 Hour Flow Test from Gallup = 667 MCFD & 0 BO

GAS:

$$\frac{(MV) 142 \text{ MCFD}}{(MV/GP/DK) 1209 \text{ MCFD}} = (MV) \% \frac{\text{Mesaverde } 12\%}{\text{Mesaverde } 12\%}$$

$$(GP) 667 \text{ MCFD} = (GP) \% Gallup 55\%$$

 $(MV/GP/DK) 1209 \text{ MCFD}$

OIL:

$$\frac{(GP) \ 0 \ BO}{(MV/GP/DK) \ 0 \ BO} = (GP) \% \frac{Gallup \ 33\%}{Gallup \ 33\%}$$