

June 10, 2000

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

Re: Payne #2A D Section 21, T-32-N, R-10-W 30-045-23910

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-2601 was issued for this well.

Gas:	Mesa Verde Dakota	59% 41%
Oil:	Mesa Verde Dakota	100% 0%

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

Sincerely,

lale

Péggy Colé Regulatory/Compliance Administrator

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

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

Payne #2A MV/DK Production Allocation

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Gas					
	MV Production	DK Production	% MV	% DK	
Jan-92	280	200	58%	42%	
Jan-93	275	190	59%	41%	
Jan-94	260	180	59%	41%	
Jan-95	255	170	60%	40%	
		Average	59%	41%	

Oil					
	MV Production	DK Production	% MV	% DK	
Jan-92	0.8	0	100%	0%	
Jan-93	0.8	0	100%	0%	
Jan-94	0.7	0	100%	0%	
Jan-95	0.6	0	100%	0%	
		Average	100%	0%	

* Production used for the allocation does not include production after 1995 because of wellbore configuration problems resulting in inaccurate production allocations.