

March 10, 2003

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

Re:

San Juan 28-5 Unit #82M F Section 22, T-28-N, R-5-W

30-039-26867



Gentlemen:

Attached is a copy of the allocation for the subject well that was completed 2-27-03. DHC-1020az was issued for this well.

Gas:

Mesaverde

84%

Dakota

16%

Oil:

Mesaverde

84%

Dakota

16%

These percentages are based upon isolated flow tests from the Mesaverde and Dakota formations during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future.

Please let me know if you have any questions.

Sincerely,

Peggy 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

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

San Juan 28-5 Unit #82M (Mesaverde/Dakota) Commingle Unit F, 22-T28N-R5W Rio Arriba County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = <u>918 MCFD & 0 BO</u>

Separator test from Dakota = 180 MCFD & 0 BO

GAS:

$$(MV) 918 MCFD = (MV) \% Mesaverde 84\%$$
 (MV/ DK) 1098 MCFD

$$(DK)$$
 180 MCFD = (DK) % Dakota 16% (MV/ DK) 1098 MCFD

OIL:

$$\frac{\text{(MV) 0 BO}}{\text{(MV/ DK) 0 BO}} = \text{(MV) \% Mesaverde 84\%}$$