

August 11, 2003

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

Re:

Canyon Largo Unit #294 A Section 2, T-25-N, R-6-W

30-039-22308



Gentlemen:

Attached is a copy of the allocation for the subject well that was commingled 10-11-01. DHC-313az was issued for this well.

Gas:

Mesaverde

75%

Dakota

25%

Oil:

Mesaverde

84%

Dakota

16%

These percentages were calculated using rate-time reserve estimate comparisons for each respective formation.

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 Documentation

Canyon Largo Unit #294
Production Allocation
Based on Remaining Reserves
Mesaverde / Dakota Recompletion

<u>Gas</u>

	RR (MMCF) Allocation %	
Mesaverde	613	75%
Dakota	<u>209</u>	25%
All	821.88	

Oil

	Oil (BOPD) Allo	Oil (BOPD) Allocation %	
Mesaverde	1.55	84%	
Dakota	0.30	16%	
All	1.85		