



November 4, 2003

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

San Juan 30-4 #50
Unit L, Section 22, T 30 N, R 4 W
Rio Arriba Co., New Mexico
Basin Fruitland Coal (71629) & East Blanco Pictured Cliffs (72400)
Administrative Order R-11363
API # 30-039-26609, DHC 899AZ

Dear Mr. Hayden:

Energien Resources recently finished a pay add and down hole commingling operations on the subject well. In accordance with the approved Administrative Order, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to commingling operations, the Pictured Cliffs was producing at a stabilized rate of 15 MCFD & 0 BOPD. The Fruitland Coal was added in October 2002 and the well was returned to production in November 2002. The well has stabilized at a rate of 40 MCFD & 0 BOPD. Decline curve analysis results in a Pictured Cliffs producing rate of 10 MCFD in November 2003, had the Fruitland Coal not been completed. The following allocation is recommended:

	<u>Gas</u>	<u>Oil</u>
Pictured Cliffs	25%	NA
Fruitland Coal	75%	NA

If additional information is needed, please contact me at 566-4680.

Sincerely Yours,

Charles J. Donahue
District Engineer