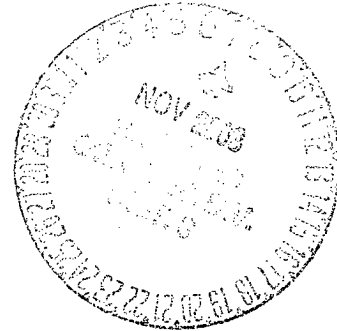


November 4, 2003

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



San Juan 30-4 #42B
Unit B, Section 19, T 30 N, R 4 W
Rio Arriba Co., New Mexico
East Blanco Pictured Cliffs (72400) & Blanco Mesaverde (72319)
Administrative Order R-11363, DHC 857AZ
API # 30-039-26647

Dear Mr. Hayden:

Engen 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 Mesaverde was producing at a stabilized rate of 300 MCFD & 0 BOPD. The Pictured Cliffs was added in October 2002 and the well was returned to production in November 2002. The well has stabilized at a rate of 730 MCFD & 0 BOPD. Decline curve analysis results in a Mesaverde producing rate of 200 MCFD in November 2003, had the Pictured Cliffs not been completed. The following allocation is recommended:

	<u>Gas</u>	<u>Oil</u>
Pictured Cliffs	73%	NA
Mesaverde	27%	NA

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

Sincerely Yours,

Charles J. Donahue
District Engineer