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

Re:

Culpepper Martin #7C

NENE, Section 28, T-32-N, R-12-W

30-045-30002 30/18 San Juan County, New Mexico

Gentlemen:

The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on January 23, 2002. DHC-125az was issued for this well.

Gas:

Mesa Verde

82%

Dakota

18%

Oil:

Mesa Verde

0%

Dakota

100%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after the deferred completion of the Mesaverde. Because condensate production did not change with the addition of the Mesaverde formation, the oil is completely allocated to the Dakota formation. Please let me know if you have any questions.

Sincerely,

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management



Production Allocation Documentation

Culpepper Martin #7C

Production Allocation
Based on Remaining Reserves
Deferred Mesaverde Completion (January 2002)

GAS

Pakota RR Allocation % Allocation % 18%

All <u>1150.4</u>

Mesaverde 946.1 82%

Condensate

Because condensate has not changed since the addition of the Mesaverde formation, condensate has remained completely attributed to the Dakota formation.

