

March 1, 1999

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

Re: Culpepper Martin #12 N Section 20, T-32-N, R-12-W 30-045-12202

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. DHC-1811 was issued for this well.

-

| Gas: | Mesa Verde Dakota | 94.7% 5.3% | |
|------|----------------------|---------------|--|
| Oil: | Mesa Verde Dakota | 66% 34% | |

These allocations are based on historic production from the Mesa Verde and Dakota. Please let me know if you have any questions.

Sincerely. Shad huid Seldet F

Peggy Bradfield Regulatory/Compliance Administrator

Xc: NMOCD – Santa Fe Bureau of Land Management – Farmington

3535 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-599-4046

Culpepper Martin #12 Production Allocation

Gas

| *Mesaverde Cumulative Production: | 1,849 MMcf | 94.7% |
|-----------------------------------|------------|--------|
| *Dakota Cumulative Production | 103 MMcf | 5.3% |
| Total: | 1,952 | 100.0% |
| | | |

. .

.

Oil

| *Mesaverde Cumulative Production: | | 4,070 BBIs | 66.0% |
|-----------------------------------|--------|------------|--------|
| *Dakota Cumulative Production | | 2,101 BBIs | 34.0% |
| | Total: | 6,171 | 100.0% |

*Allocation Formula Basis: The fixed percentages are based on cumulative production as of 7/98.