



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMNM-059848 et al.
3162.7 (07100)

May 1, 2001

Brian Ary
Greystone Energy Inc.
9155 E. Nichols Ave. Suite 350
Englewood, Co. 80112

RE: Acceptance of Commingling, Allocation Factors or Methods

Dear Mr Ary:

We have received your Applications for Downhole Commingling along with allocation factors or a method of allocation. After review, we hereby accept your method of allocation and-or allocation factors listed below. The effective date is the date that downhole commingling actually occurs.

Well Name Lease number	Location	API#	Allocation	Allocation
Freeman #1R NM-059848 <i>DHC 2638</i>	A sec 11, T31N, R13W	30045-26113	Mesaverdes 62% gas 43% oil	Dakota 38% gas 57% oil
Williams #1 SF-078464 <i>" 2679</i>	H sec 24, T31N, R13W	30045-10590	Mesaverde 32% gas 0% oil	Dakota 68% gas 100% oil
Payne #2E SF-078463 <i>" 2730</i>	E sec 35, T31N, R13W	30045-25882	Gallup 16% gas 27% oil	Dakota 84% gas 73% oil
Gross #1E NM-021123 <i>" 2609</i>	I sec 7, T31N, R12W	30045-23615	Mesaverde 48% gas 72% oil	Dakota 52% gas 28% oil
Starr #1M SF-078707 <i>" 2614</i>	N sec 13, T31N, R13W	30045-24320	Mesaverde 43% gas 55% oil	Dakota 57% gas 45% oil
Arnstein #1 SF-078243 <i>" 2709</i> review later & set fixed allocation	K sec 18, T31N, R12W	30045-10725	Mesaverde Subtraction Method	Dakota Production Forecast
Champlin #1 SF-079527A <i>" 2710</i>	M sec 35, T27N, R4W	30039-06784	Mesaverde Subtraction Method	Dakota & Pictured Cliffs Production Forecast
Champlin #8 SF-079527A <i>" 352</i>	J sec 25, T27N, R4W	30039-06895	Mesaverde Subtraction Method	Dakota & Pictured Cliffs Production Forecast

If you have any questions, please contact Joe Hewitt at (505) 599-6365 or email joe_hewitt@blm.gov.

Sincerely,
Joe Hewitt
Joe Hewitt
Geologist, Petroleum Management Team

cc: NMOCN, Santa Fe, NM
NMOCN, Aztec, NM

