



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:

NMNM76431

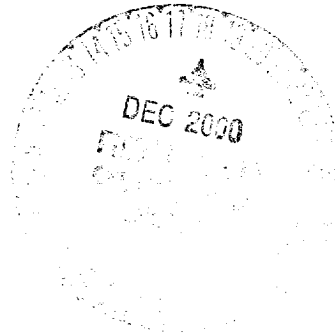
NM30854

3162.7 (07100)

December 14, 2000

Mr. John Roe
Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-4020

RE: Correction to Allocation Factors
Phillips #1
H SE NE Sec. 5, T. 24N., R. 9 W.
30-045-26803



Dear Mr. Roe:

This letter is to correct my letter of October 16, 2000 in which I mistakenly reversed the allocation factors. The approved allocation factors are:

Pictured Cliffs	% OIL NA	20% GAS
Fruitland Coal	% OIL NA	80% GAS

If you have any questions, please contact Joe Hewitt with this office at (505) 599-6365.

Sincerely,

Joe Hewitt

Joe Hewitt
Geologist, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM