

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

N REPLY REFER TO-Canyon Largo Unit (PA's) 3162.7 (07100)

Ms. Peggy Cole Burlington Resources Oil & Gas Company P.O. Box 4289 Farmington, NM 87499

RE:

Canyon Largo Unit

Approved Allocation Factors San Juan County, NM

Dear Ms. Cole:



September 18, 2001

We have received your Applications for Downhole Commingling of the Gallup and Dakota along with the Mesaverde and Dakota formations for several wells in the Canyon Largo Unit. After review, we hereby accept your applications for downhole commingling and the submitted allocation factors. The effective date is the date that downhole commingling actually occurs. The wells and the approved allocation factors are listed below.

Burlington Canyon Largo Unit Downhole Commingle Applications

| | | | | 8 FF | |
|-------------------------|-----------|---------------------|------------|------------------------|----------------------|
| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
| Canyon Largo Unit #95 | State | B sec 36, T25N, R6W | 3003905763 | Gallup gas 41% oil 97% | DK gas 59% oil 3% |
| Canyon Largo Unit #239E | SF-078885 | F sec 1, T25N, R6W | 3003925549 | MV gas 72% oil 66% | DK gas 28% oil 34% |
| Canyon Largo Unit #250E | SF-078885 | P sec 1, T25N, R6W | 3003925720 | MV gas 27% oil 100% | DK gas 73% oil 0% |
| Canyon Largo Unit #287M | SF-078885 | E sec 3, T25N, R6W | 3003925550 | MV gas 33% oil 49% | DK gas 67% oil 51% |
| Canyon Largo Unit #430 | SF-078880 | K sec 14, T25N, R7W | 3003925477 | Gallup gas 67% oil 40% | DK gas 33% oil 60% |
| Canyon Largo Unit #447 | SF-078879 | G sec 24, T25N, R7W | 3003925480 | Gallup gas 67% oil 56% | DK gas 33% oil 44% |

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

Sincerely,

Joe Hewitt

Geologist, Petroleum Management Team

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