

IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

JAN - 7 2000



SF-079367 3162.3-2 (07100)

Burlington Resources Oil and Gas Company

Attn.: Peggy Cole P.O. Box 4289

Farmington, New Mexico 87499-4289

Re: Well No. 164 SJ 27-5 Unit Lease No. SF-079367 NENE 30-27N-5W Rio Arriba County, NM

Dear Mrs Cole:

Reference is made to your application requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the Mesaverde and Dakota formations in the above referenced well. After reviewing your application and the well completion information you supplied, we concur with using the following fixed allocation factors:

	Formation	<u>Gas</u>	<u>Oil</u>
	Mesaverde	89%	50%
DAK	Pictured Cliffs	11%	50%

Commingled production from each zone must be reported in accordance with these established allocation factors. The effective date of commingling will be the date commingling first occurs.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,

Chip Harraden

Chip Harrade

Acting Team Leader, Petroleum Management Team

cc:

NMOCD, Santa Fe
NMOCD, Aztec