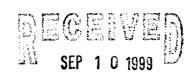


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington New Mexico 87401 SEP 8 1999



OIL COM. DIV.

territories automobiles and programming

IN REPLY REFER TO:

NMSF080674 3162.3-2 (07100)

Burlington Resources Attn. Peggy Cole P.O. Box 4289 Farmington, New Mexico 87499 Re: San Juan 27-4 No. 99A NENW 16-27N-4W Lease No. SF-080674 Rio Arriba Co., NM

Dear Ms. Cole:

Reference is made to your application for down hole commingling of Mesaverde and Pictured Cliffs production from the above referenced well. After reviewing the information you supplied in your application and the production history for both zones, you are hereby authorized to commingle production in accordance with the fixed allocation factors outlined below:

Formation	<u>Gas</u>	<u>Oil</u>
Mesaverde	67%	100%
Dakota	33%	0%

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,

181 Errol Becher

Errol Becher Acting Team Leader, Petroleum Management Team

cc:

NMOCD, Santa Fe
NMOCD, Aztec