



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:

SF-079393
3162.7 (07100)

February 22, 2002

Peggy Cole
Burlington Resource
3401 East 30th
P.O. Box 4289
Farmington, New Mexico 87401



RE: **Accept Commingle Applications and Allocation Method**

Dear Ms. Cole

We have received your allocation factors and your Application for Downhole Commingling of the well listed below. We hereby accept your allocation factors using rate-time reserve estimate comparisons for each respective formation. DHC-2537 was issued for this well.

San Juan 27-5 Unit # 85E
C Section 5, 7-27N, R-5-W
30-03925829

Gas: Mesaverde 59%
 Dakota 41%

Oil: Mesaverde 20%
 Dakota 80%

Commingled production from each zone must be reported in accordance with the allocation factors above. The effective date will be the date downhole commingling actually occurs.

If you have any questions, please contact Matt Halbert at 505-599-6350

Sincerely

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team

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