

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: 3162.7 (07100)

Ms. Peggy Cole Burlington Flesources PO Box 4289 Farmington, NM 87499



February 19, 2002

RE: Accept downhole commingle applications & allocation factors

Dear Ms. Cole:

The following wells were reviewed for downhole commingling. After reviewing the production history for these wells, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The wells and the approved allocation factors are listed below. In the case where oil allocation factors were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

Well Name	Lease	Location	API#	Formation Allocation	Formation Allocation
San Juan 2"-5	FEE	sec 16, T27N, R5W	3003925774	MV gas 73%	DK gas 27%
#90M				Oil 50%	Oil 50%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

DAC 1857

Sincerely,

/s/ Jim Lovato

Jim Lovato Team Lead, Petroleum Management Team

cc: NMOCI), Santa Fe, NM NMOCI), Aztec, NM

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