

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)

January 18, 2002

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

RE:

Unacceptable Allocation Factors

Dear Ms. Cole:

We have received your allocation factors and your Application to Downhole Commingle the wells listed below. After review, we disagree with your submitted allocation factors because production data on file was not consistent with the allocation factors provided.

Unacceptable Allocation Factors

| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
|---------------|---------|-----------------|-----------------------|-------------------------|-------------------------|
| San Juan 28-5 | SF- | M sec 25, T28N, | 30039- | MV gas 93% | DK gas 7% |
| Unit #78 | 079520A | R5W | 20105 | Oil 0% | Oil 100% |
| San Juan 28-5 | SF- | I sec 31, T28N, | 30039- | MV gas 55% | DK gas 45% |
| Unit #42M | 079521A | R5W | 25630 | Oil 0% | Oil 100% |
| San Juan 28-5 | SF- | K sec 31, T28N, | 30045-37 | MV gas 57% | DK gas 43% |
| Unit #42 | 079521A | R5W | 07240 | Oil 0% | Oil 100% |
| San Juan 27-5 | SF- | D sec 31, T27N, | 30045- ³ 4 | MV gas 36% | DK gas 64% |
| Unit #97M | 079367 | R5W | 23728 | Oil 0% | Oil 100% |

It is required that you review and resubmit revised allocation factors. If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Under the provisions of 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decision unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

Sincerely,

/s/ Jim Lovato

Jim Lovato Team Leader, Petroleum Management Team

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

bcc: 4 well files
DOMR
07100:AGarcia:1/18/02:x6358:Burlington