

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-079049B et al. (wc) 3162.7 (07100)

July 12, 2002

Peggy Cole **Burlington Resources** P.O. Box 4289 Farmington, NM 87401

Accept Commingle Applications and Allocation Method: Re:

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 you established. The effective date is the date that downhole commingling actually occurs. The approved allocation factors are listed below. In the case where oil allocations were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

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Well Name	Location	API#	Lease Number	Formation Allocation			Formation Allocation		
San Juan 28-6 Unit	E sec 33, T28N, R6W	3003926296	SF -079049B	MV	gas oil	48% 48%	DK	gas oil	52% 52%
# 116N Richardson # 7E	sec 15, T31N,	3004523794	SF -077651	MV	gas oil	48% 00%	DK		52% 100%
Allison Unit NP # 27	sec 30, T32N,	3004511576	SF -081155	MV	gas oil	60% 50%	DK	gas oil	40% 50%
Childers # 3M	Sec 1, T31N,	3004530907	SF -078040A	MV	gas oil	39% 39%	DK	gas oil	61% 61%

If you have any questions, please contact Matt Halbert, at 505-599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ fim Lovato

Jim Lovato

Team Leader, Petroleum Management Team

Enclosures:

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