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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

Aug 1 8 1989

RECEIVED
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OIL CONL. DIV.
DIST. 3

IN REPLY REFER TO:

NMSF079634
3162.3-2 (07100)

Burlington Resources
Attn. Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499

Re: McClanahan 18
NENE 13-28N-10W
Lease No. SF-079634
San Juan Co., NM

Dear Ms. Bradfield:

Reference is made to your proposal to use fixed allocation factors for the commingled gas and oil production in the above referenced well. After reviewing the information you supplied in your application and the production history for both the Dakota and Mesaverde formations, you are hereby authorized to use the fixed allocation factors as outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	9%	42%
Dakota	91%	58%

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,

Errol Becher
Acting Team Leader, Petroleum Management Team

cc:
NMOCD, Santa Fe
/ NMOCD, Aztec