



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

July 19, 1999

IN REPLY REFER TO:

NMSF077082(WF)
3162.3-2 (07100)

Ms. Peggy Bradfield
Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499-4289

RECEIVED
JUL 22 1999

OIL CON. DIV.
DIST. 3

Dear Ms. Bradfield:

Burlington Resources Oil & Gas Company (Burlington) received approval from the New Mexico Oil Conservation Division (NMOCD) on April 4, 1994, for downhole commingling allocation procedures for the Fruitland Coal and Pictured Cliffs Formations in the following wells:

Well Name & Number	Location	Lease
No. 2 Neudecker	SwNe Sec. 35, T.29N., R.10W.	NMSF-077082
No. 11 Zachary	SwSw Sec. 10, T.28N., R.10W.	NMSF-080724A
No. 1 Lodewick	SeSe Sec. 18, T.27N., R.9W.	NMSF-077974
No. 100 C.M. Morris	SwNe Sec. 10, T.27N., R.10W.	NMSF-077329
No. 509 Huerfano Unit Com	NwNw Sec. 30, T.27N., R.10W.	NMSF-077384
No. 74 Huerfano Unit	SwSw Sec. 19, T.27N., R.10W.	NMSF-078022

We have reviewed the NMOCD approval and concur with the allocation procedure. Burlington will allocate Pictured Cliffs Formation production based upon the existing Pictured Cliffs decline curve outlined in Exhibit A of the NMOCD approval R-10090. Any production amount above the decline curve projection will be allocated to the Fruitland Coal Formation.

If you have any questions, please call Duane Spencer at (505) 599-6350.

Sincerely,

/s/ Duane W. Spencer
Duane W. Spencer
Team Lead, Petroleum Management

cc:

NMOCD, Aztec, NM
NMOCD, Santa Fe, NM