



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)

February 7, 2002

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

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
Burnt Mesa #2A	NM-2995	sec 26, T32N, R7W	3004523412	FC-PC gas 68 % Oil 100%	MV gas 32% Oil 0%
*Vaughn #13M	SF-079266	sec 27, T26N, R6W	3003925106	MV gas 51% Oil 51%	DK gas 49% Oil 49%
San Juan 28-5 #45M	SF-079522A	sec 36, T28N, R5W	3003925665	MV gas 78% Oil 50%	DK gas 22% Oil 50%
Lucerne A #4A	SF-078389	sec 10, T31N, R10W	3004522505	PC gas 23% Oil 0%	MV gas 77% Oil 100%
Lively #16	NM-0560422	sec 20, T29N, R9W	3004521357	CH gas 59% oil 0%	MV gas 41% oil 0%

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

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team