



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

JUN 15 1999

RECEIVED
JUN 17 1999
OIL CON. DIV.
DIST. 3

IN REPLY REFER TO:

NMSF-078197
3162.3-2 (07100)

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

Re: Nye Federal Com No. 1
NWSW 8-29N-10W
Lease No. SF-078197
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 production history for the Dakota formation and the stabilized production of the commingled gas stream, we agree with the allocation factors as proposed. As such, you are hereby authorized to use the fixed allocation factors for the Dakota and Mesaverde formations as outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	84%	0%
Dakota	16%	100%

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,

/S/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management Team

cc:

✓ NMOCD, Santa Fe
NMOCD, Aztec



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

JUN 1 1999

RECEIVED
JUN 17 1999

OIL CON. DIV.
DIST. 3

IN REPLY REFER TO:

NMSF-078197
3162.3-2 (07100)

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

Re: Nye Federal Com No. 1
NWSW 8-29N-10W
Lease No. SF-078197
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 production history for the Dakota formation and the stabilized production of the commingled gas stream, we agree with the allocation factors as proposed. As such, you are hereby authorized to use the fixed allocation factors for the Dakota and Mesaverde formations as outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	84%	0%
Dakota	16%	100%

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,

/s/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management Team

cc:
NMOCD, Santa Fe
NMOCD, Aztec