



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

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IN REPLY REFER TO:

NMSF-078716A
3162.3-2 (07100)

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

30-045-11995
Re: Hubbell No. 3
SWSE 18-29N-10W 0
Lease No. SF-078716A
San Juan Co., NM

Dear Ms. Cole:

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, we agree with the allocation factors as proposed. As such, you are hereby authorized to use fixed allocation factors as outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	75%	80%
Dakota	25%	20%

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 the undersigned at (505) 599-6367.

Sincerely,

Jim Lovato

Acting Team Leader, Petroleum Management Team

cc:

NMOCD, Santa Fe
NMOCD, Aztec