

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

CIL CON. DIV

DIST. 3

IN REPLY REFER TO: Grenier B #5 3162.7 (07100)

37) 35)

Re: Grenier B #5

Lease No. NM 03561

San Juan Co., NM

29N-10W

December 7, 2001

Burlington Resources Oil & Gas Company

Attn: Sean Corrigan PO Box 4289 Farmington, NM 87499

Burlington Resources Oil & Gas Comp Attn: Sean Corrigan

Dear Mr. Corrigan:

Reference is made to your application requesting authorization to downhole commingle gas and associated liquid hydrocarbons from the Chacra, Mesaverde, and Dakota formations in the above referenced well. After reviewing the production history of the Chara, Mesaverde, and Dakota formations, we have determined that these intervals have similar projected decline rates, pressures, and fluid characteristics. As such, we hereby approve your request for commingling. Upon completion, please provide allocation methodology.

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

Sincerely,

Jim Povato

Team Leader, Petroleum Management Team

cc: NMOCD, Santa Fe, NM NMOCD, Aztec, NM

bcc: Grenier B #5 DOMR

07100:AGarcia:12/7/01:6358:GrenierB#5.dhc