

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: NMNM-0498 et al. 3162.7 (07100)

May 9, 2001

Rodney Kiel Texakoma Oil & Gas Corp. One Lincoln Centre 5400 LBJ Freeway, Suite 500 Dallas, Tx. 75240

RE: Acceptance of Commingling, Allocation Factors or Methods

Dear Mr Kiel:

We have received your Applications for Downhole Commingling along with allocation factors for the wells listed below. We hereby accept your method of allocation and allocation factors listed below. The effective date is the date that downhole commingling actually occurs.

Well Name Lease number	Location	API#	Allocation	Allocation
Federal FC 8 #1 NM-0498	B sec 8 T30N, R12W	30045-28297	Fruitland Coal 96% gas NA% oil	Fruitland Sand 4% gas NA% oil
Federal FC 7 #1 NM-047	G sec 7 T30N, R12W	30045-30236	Fruitland Coal third party reserve	Fruitland Sand determination
Federal FC 6 #1 NM-047	L sec 6 T30N, R12W	30045-30237	Fruitland Coal third party reserve	Fruitland Sand determination

If you have any questions, please contact Joe Hewitt at (505) 599-6365 or email joe_hewitt@blm.gov.

Sincerely,

Joe Hewitt

Geologist, Petroleum Management Team

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