



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

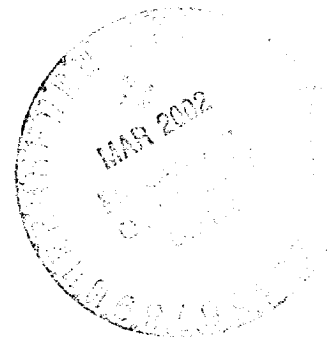
Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

3162.7 (07100)

SF 077282

March 19, 2002



Ms. Peggy Cole
Burlington Resources
Farmington, NM 87499

RE: Accept downhole commingle applications and allocation factors

Dear Ms. Cole:

The following well was reviewed for downhole commingling. After reviewing the production history for this well, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
Grenier A #8B	SF 077282	sec 35, T10N, R10W 30	3004530326	MV gas 71% Oil 71%	CH gas 29% Oil 29%

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

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

bcc: Well file
DOMR
07100:AGarcia:3/19/02:x6358:Burlington

BURLINGTON RESOURCES

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

REVISED SF 017282

Re: Grenier A #8B
NWNW, Section 35, T-30-N, R-10-W
30-045-30326
San Juan County, New Mexico

Gentlemen:

The above referenced well is a Mesaverde/Chacra commingle. Attached is a copy of the allocation for the commingling of the subject well completed on April 14, 2001. DHC-317az was issued for this well.

✓ Gas:	Mesa Verde	71%
	Chacra	29%
✓ Oil:	Mesa Verde	71%
	Chacra	29%

Historical Data is available.

Historical Data is not
for allocated amounts,
strictly based on flow tests.

These allocations are based on isolated flow tests from the Mesa Verde and Chacra during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Confirmed with Darla Acosta

3/18/02.

Xc: NMOCD - Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING FLOW TEST INFORMATION

Grenier A #8B
(Mesaverde/Chacra) Commingle
Unit D, 35-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

3 Hour Flow Test from Mesaverde = 703 MCFD & 0 BO

3 Hour Flow Test from Chacra = 284 MCFD & 0 BO

GAS:

$$\frac{(MV) 703 \text{ MCFD}}{(MV/CH) 987 \text{ MCFD}} = (MV) \% \text{ Mesaverde 71\%}$$

$$\frac{(CH) 284 \text{ MCFD}}{(MV/CH) 987 \text{ MCFD}} = (CH) \% \text{ Chacra 29\%} \rightarrow 41\%$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/CH) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 71\%}$$

$$\frac{(CH) 0 \text{ BO}}{(MV/CH) 0 \text{ BO}} = (CH) \% \text{ Chacra 29\%}$$