



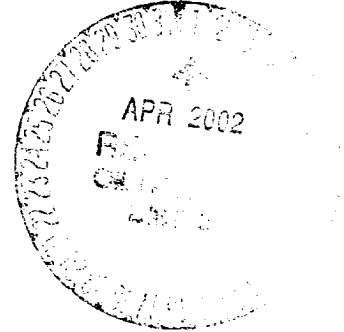
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3162.7 (07100)

March 19, 2002



Ms. Peggy Cole
Burlington Resources
PO Box 4289
Farmington, NM 87499

RE: Accept downhole commingle applications and allocation factors

Dear Ms. Cole:

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

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
San Juan 27-5 #70	SF 079391	sec 8, T27N, R5W	3003907131	MV gas 66%	DK gas 34%
				Oil 83%	Oil 17%
Morris A #1R	SF 078138	sec 20, T30N, R11W	3004530559	PC gas 12%	FC gas 88%
				Oil 50%	Oil 50%

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

BURLINGTON RESOURCES

SF 078138

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

Re: Morris A #1R
SWSW, Section 20, T-30-N, R-11-W
30-045-30559
San Juan County, New Mexico

Gentlemen:

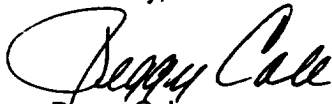
The above referenced well is a Pictured Cliffs/Fruitland Coal commingle. Attached is a copy of the allocation for the commingling of the subject well completed on November 12, 2001. DHC549az was issued for this well.

Gas:	Pictured Cliffs	11.63% -
	Fruitland Coal	88.37% -

Oil:	Pictured Cliffs	50%
	Fruitland Coal	50%

These allocations are based on separator tests from the Pictured Cliffs and Fruitland Coal during completion operations. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD - Santa Fe
Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

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PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Morris A # 1R
NE 20 T30N R11W
Pictured Cliffs / Fruitland Coal Commingle
San Juan County, New Mexico

Separator test from the Pictured Cliffs = 40 Mcfd & 0 BO

Separator test from the entire well (FTC + PC) = 344 Mcfd & 0 BO

GAS:

$$\frac{\text{(PC) 40 Mcfd}}{\text{(FTC + PC) 344 Mcfd}} = \text{(PC \%)} \quad 11.63\%$$

$$\frac{\text{(FTC + PC)-(PC) 344 - 40 Mcfd}}{\text{(FTC + PC) 344 Mcfd}} = \text{(FTC \%)} \quad 88.37\%$$

OIL:

$$\frac{\text{(PC) 0 BO}}{\text{(FTC + PC) 0 BO}} = \text{(PC \%)} \quad 50\%$$

$$\frac{\text{(FTC + PC)-(PC) 0 BO}}{\text{(FTC + PC) 0 BO}} = \text{(FTC \%)} \quad 50\%$$