



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 15, 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 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. In the case where oil allocations were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
Sullivan #1B	NM 03195A	sec 7, T30N, R10W	3004530566	MV gas 53% Oil 53%	DK gas 47% Oil 47%

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:3/15/02:x6358:Burlington

BURLINGTON RESOURCES

2002 MAR -5 PM 1:41

CEDAR RAPIDS, NM

NM 03195A

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

Re: Sullivan #1B
SENW, Section 7, T-30-N, R-10-W —
30-045-30566
San Juan County, New Mexico

Gentlemen:

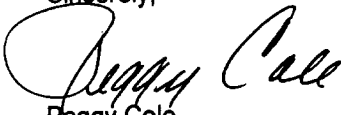
The above referenced well is a Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on February 22, 2002. DHC618az was issued for this well.

Gas:	Mesa Verde	53%	—
	Dakota	47%	

Oil:	Mesa Verde	—0%	53%
	Dakota	100%	47%

These allocations are based on isolated flow tests from the Mesa Verde and Dakota 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

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Sullivan 1B
(Mesaverde/Dakota) Commingle
Unit F, 7-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 984 MCFD & 0 BO

Separator test from Dakota = 886 MCFD & .25 BO

GAS:

$$\frac{(MV) 984 \text{ MCFD}}{(MV/DK) 1870 \text{ MCFD}} = (MV) \% \text{ Mesaverde 53% }$$

$$\frac{(DK) 886 \text{ MCFD}}{(MV/DK) 1870 \text{ MCFD}} = (DK) \% \text{ Dakota 47% }$$

OIL:

$$\frac{(MV) 0 \text{ BO}}{(MV/DK) .25 \text{ BO}} = (MV) \% \text{ Mesaverde 0% }$$

$$\frac{(DK) .25 \text{ BO}}{(MV/DK) .25 \text{ BO}} = (DK) \% \text{ Dakota 100% }$$