



United States Department of the Interior

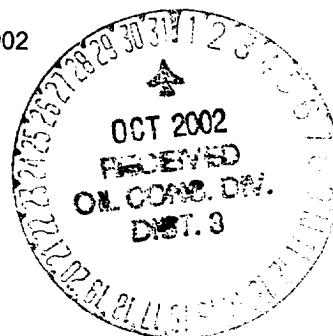
BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
SF-078115 et al. (wc)
3162.7 (07100)

October 29, 2002

Peggy Cole
Burlington Resources
P.O. Box 4289
Farmington, NM 87401



Re: Accept Commingle Applications and Allocation Method:

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 you established. The effective date is the date that downhole commingling actually occurs. 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	Location	API #	Lease Number	Formation Allocation	Formation Allocation
San Juan 30-6 Unit # 1A	O Sec 09, T30N, R-6-W	3003926999	NM-03416	MV gas 63% oil 63%	DK gas 37% oil 37%
Grenier # 12	Sec 13, T31N, R-12-W	3004510673	SF- 078115	MV gas 80% oil 00%	DK gas 20% oil 100%
Vasaly # 2E	Sec 31, T32N, R-11-W	3004525033	SF -078118	MV gas 85% oil 100%	DK gas 15% oil 00%
Allison Unit Com # 60A	Sec 26, T32N, R-7-W	3004530434	SF- 078472	MV gas 72% oil 72%	DK gas 28% oil 28%

If you have any questions, please contact Matt Halbert, at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team

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