

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 4453, et al. (wc) 3162.7 (07100)

May 10, 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	Location	API#	Formation Allocation	Formation Allocation
Carson SRC #1 OHC HO F AZ	NM 4453	Sec 1, T30N, R5W	3003920267	MV gas 51%	DK gas 49%
				Oil 100%	Oil 0%
Helms Federal	NM 0555078	Sec 22, T30N, R10W	3004525047	MV gas 71%	DK gas 29%
"" 706AZ				Oil 36%	Oil 64%
San Juan 27-5 #1275 69AZ	SF 079493 MV PA DK PA	Sec 25, T27N, R5W	3003923901	MV gas 38% Oil 0%	DK gas 62%
Davis #13 203 AZ	SF 077648	Sec 1, T31N, R12W	3004511085	Oil 0% MV gas 72% Oil 15%	Oil 100% DK gas 28%
Grenier #14 205A2	SF 078115	Sec 7, T31N, R11W	3004510952	MV gas 71%	Oil 85% DK gas 29%
103/15				Oil 33%	Oil 67%

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