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-079363 et al. (wc)
3162.7 (07100)

October 30,2002

OCT 2002
RECEIVED
OIL CONS. DIV.
DIST. 3

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 28-6 Unit # 166	O Sec 1, T27N T-6-W	3003920481	SF - 079363	MV gas 78% oil 70%	DK gas 22% oil 30%
San Juan 28 -6 Unit # 141	N Sec 36, T28N R-6-W	3003920039	SF- 079734	MV gas 67% oil 100%	DK gas 33% oil 00%
San Juan 28-6 Unit # 145	H Sec 19, T28N, R-6-W	3003920154	SF -079193	MV gas 92% oil 100%	DK gas 08% oil 00%
San Juan 29-7 Unit # 110	G Sec 31, T29N, R-7-W	3003921331	SF- 078503	MV gas 78% oil 100%	DK gas 22% oil 00%
Allison Unit # 44B	Sec 30,T32N, R-6-W	3004530402	SF -081155	MV gas 54% oil 54%	DK gas 46% oil 46%
Allison Unit # 55M	Sec 10,T32N, R-7-W	3004530496	SF -078459B	MV gas 36% oil 36%	DK gas 64% oil 64%

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