



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

SEP - 2 2003

IN REPLY REFER TO
NM - 03583 et al. (wc)
3162.7 (07100)

August 26, 2003

Oil Conservation Division

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

Handwritten: DAC
998 RB

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 # CA # / PA#	Formation Allocation	Formation Allocation
San Juan 28-6 Unit # 232	G sec 07, T27N, R-6-W	3003926869	NM - 03583	FC gas 28% oil 28%	PC gas 72% oil 72%
San Juan 29-7 Unit # 190	I sec 16, T29N, R-7-W	3003927333	STATE	FC gas 15% oil 15%	PC gas 85% oil 85%
Davis A Federal # 1M	sec 25, T30N, R-11-W	3004529746	SF - 080869	MV gas 61% oil 61%	DK gas 39% oil 39%
Lambe # 2 B	sec 20, T31N, R-10-W	3004530745	NM - 03187	MV gas 64% oil 64%	DK gas 36% oil 36%

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