

DHC-1700



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:
NMSF078089
3162.7 (07100)

March 15, 2000

Mr. Alan Merrill
Bonneville Fuels Corporation
1660 Lincoln Street, Suite 1800
Denver, CO 80264



30-045-06382

RE: Scott E. Federal No. 9
1850' FNL & 790' FWL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, NM

Dear Mr. Merrill:

We have received your Application for Downhole Commingling of the Gallegos Fruitland Sand and West Kutz Pictured Cliffs formations in the above mentioned well. After review, we hereby approve your application for downhole commingling and the submitted allocation factors. The effective date is the date that downhole commingling occurs. The approved allocation factors are:

Gallegos Fruitland Sand	50% OIL	7% GAS
West Kutz Pictured Cliffs	50% OIL	93% GAS

As per a telephone conversation on March 15, 2000, the gas production is being reported using the wrong allocation factors and corrections are necessary.

If you have any questions, please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/s/ Charlie Beecham
Charlie Beecham
Acting Team Lead
Petroleum Management Team

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