

DHC-2909



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:
3162.7 (07100)

February 7, 2002

Ms. Peggy Cole
Burlington Resources
PO Box 4289
Farmington, NM 87499

RE: Accept downhole commingle applications & 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. In the case where oil allocation factors were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
|--------------------|------------|--------------------|------------|---------------------------|------------------------|
| Burnt Mesa #2A | NM-2995 | sec 26, T32N, R7W | 3004523412 | FC-PC gas 68% Oil 100% | MV gas 32% Oil 0% |
| *Vaughn #13M | SF-079266 | sec 27, T26N, R6W | 3003925106 | MV gas 51% Oil 51% | DK gas 49% Oil 49% |
| San Juan 28-5 #45M | SF-079522A | sec 36, T28N, R5W | 3003925665 | MV gas 78% Oil 50% | DK gas 22% Oil 50% |
| Lucerne A #4A | SF-078389 | sec 10, T31N, R10W | 3004522505 | PC gas 23% Oil 0% | MV gas 77% Oil 100% |
| Lively #16 | NM-0560422 | sec 20, T29N, R9W | 3004521357 | CH gas 59% oil 0% | MV gas 41% oil 0% |

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

bcc: ~~well files~~

DOMR

07100:AGarcia:2/7/02:x6358:Burlington