



# 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-078503 et al. (wc)  
3162.7 (07100)

August 21, 2003

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



Re: Accept Commingle Applications and Allocation Method:

Dear Ms. Cole:

*ff*  
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<br><i>NHC#</i>                   | Location                 | API #      | Lease Number | Formation Allocation  | Formation Allocation  |
|--|--------------------------|------------|--------------|-----------------------|-----------------------|
| San Juan 29-7 Unit<br># 112M <i>1139A2</i> | C sec 29, T29N,<br>R-7-W | 3003922398 | SF - 078503  | MV gas 60%<br>oil 81% | DK gas 40%<br>oil 19% |
| Houck # 3<br><i>668A2</i>                  | sec 12, T29N,<br>R-10-W  | 3004508548 | SF - 077092  | MV gas 82%<br>oil 82% | DK gas 18%<br>oil 18% |
| Sunray H COM<br># 6M <i>641A2</i>          | sec 11, T30N,<br>R-10-W  | 3004530728 | NM - 03195   | MV gas 85%<br>oil 78% | DK gas 15%<br>oil 22% |
| Grambling C # 1M<br><i>1025A2</i>          | sec 14, T30N,<br>R10-W   | 3004531108 | SF- 078200A  | MV gas 80%<br>oil 80% | DK gas 20%<br>oil 20% |
| Lambe # 1B<br><i>1032A2</i>                | sec 21, T31N,<br>R-10-W  | 3004530744 | NM - 03187   | MV gas 74%<br>oil 74% | DK gas 26%<br>oil 26% |
| Thompson # 6<br><i>639A2</i>               | sec 27, T31N,<br>R-12-W  | 3004510266 | NM - 01614   | MV gas 64%<br>oil 46% | DK gas 36%<br>oil 54% |

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