



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-078707 et al. (wc)
3162.7 (07100)

June 13, 2003

Kay S. Eckstein
Cordillera Energy, Incorporated
5802 Highway 64
Farmington, NM 87401

Re: Application requesting authorization to downhole commingle:

Dear Ms. Eckstein:

Reference is made to your application requesting authorization to downhole commingle gas and associated liquid hydrocarbons from the wells listed below. After reviewing the production history for these wells, we have determined that the proposed commingled formations have similar projected decline rates, pressures, and fluid compatibility. As such, we hereby approve your request for commingling. The effective date is the date the downhole commingling actually occurs

Well Name	Location	API #	Lease Number	Formation Allocation	Formation Allocation
Starr # 1 B	D sec 13, T31N, R13W	3004531068	SF -078707	DK gas 29% oil 25%	MV gas 71% oil 75%
Starr # 1 C	K sec 13, T31N, R13W	3004531098	SF -078707	DK gas 29% oil 25%	MV gas 71% oil 75%
Arnstein # 1 Y	C sec 18, T31N, R12W	3004531218	SF -078243	DK gas 29% oil 25%	MV gas 71% oil 75%

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