



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:

San Juan 27-4 #42M Unit E
3162.7 (07100)

January 8, 2002

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

RE: San Juan 27-4 #42M Unit E - Accept downhole commingle applications & allocation factors

Dear Ms. Cole:

The San Juan 27-4 #42M well was reviewed for downhole commingling of the Mesaverde and Dakota formations in the San Juan 27-4 Unit E. After reviewing the production history for this well, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

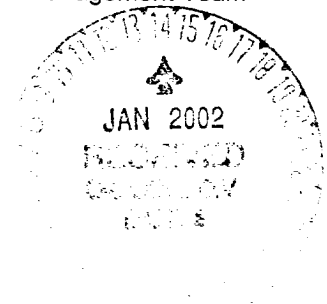
| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
|--------------------|------------|------------------|------------|----------------------|----------------------|
| San Juan 27-4 #42M | NMSF080673 | sec 8, T27N, R4W | 3003926377 | MV gas 58% oil 0% | DK gas 48% oil 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: San Juan 27-4 Unit File, Mesaverde (NMNM78408A), Dakota (NMNM78408B)
1 well file
DOMR
07100:AGarcia:1/8/02:x6358Burlington