

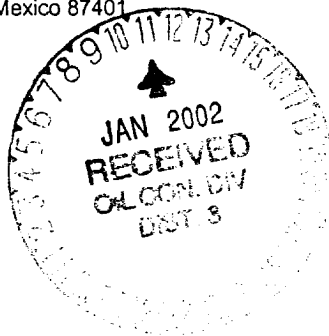


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
Mudge B No. 1A
3162.7 (07100)



January 7, 2002

Ms. Mary Corley
Amoco Production Company
PO Box 3092
Houston, TX 77253-3092

RE: Mudge B No. 1A - Accept downhole commingling applications & allocation factors

Dear Ms. Corley:

The Mudge B No. 1A well was reviewed for downhole commingling of the Pictured Cliffs/Mesaverde formations. After reviewing the production history for this well, we concur with the allocation factors established for gas 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
Mudge B No. 1A	NMSF078096	sec 21, T31N, R11W	3004523179	PC gas 8% oil 0%	MV gas 92% oil 100%

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 Leader, Petroleum Management Team

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

bcc: 1 well file
DOMR
07100:AGarcia:1/7/02:x6358Amoco