



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-079049B et al. (wc)
3162.7 (07100)

July 12, 2002

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

Re: Accept Commingle Applications and Allocation Method:

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 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 | Location | API # | Lease Number | Formation Allocation | Formation Allocation |
|---------------------------|---------------------|------------|--------------|-----------------------|------------------------|
| San Juan 28-6 Unit # 116N | E sec 33, T28N, R6W | 3003926296 | SF -079049B | MV gas 48% oil 48% | DK gas 52% oil 52% |
| Richardson # 7E | sec 15, T31N, R-12W | 3004523794 | SF -077651 | MV gas 48% oil 00% | DK gas 52% oil 100% |
| Allison Unit NP # 27 | sec 30, T32N, R6W | 3004511576 | SF -081155 | MV gas 60% oil 50% | DK gas 40% oil 50% |
| Childers # 3M | Sec 1, T31N, R11W | 3004530907 | SF -078040A | MV gas 39% oil 39% | DK gas 61% oil 61% |

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

Enclosures:

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