



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-078146 et al. (wc)
3162.7 (07100)

Sept 26, 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
531 AZ Allison Unit # 1 R	Sec 17, T32N, R-6-W	3004528957	FEE	MV gas 24% oil 00%	DK gas 76% oil 100%
12512 Culpepper Martin 7C	Sec 28, T32N, R-12-W	3004530118	SF- 078146	MV gas 82% oil 00%	DK gas 18% oil 100%
368 AZ Pierce SRC # 2 B	Sec 30, T31N, R-10-W	3004529999	FEE	MV gas 42% oil 00%	DK gas 58% oil 100%
212 AZ Thompson # 11	Sec 34, T31N, R-12-W	3004511701	NM- 01614	MV gas 94% oil 00%	DK gas 06% oil 100%
595 AZ Pierce # 1 B	Sec 17, T30N, R-9-W	3004530433	SF -078129	MV gas 86% oil 86%	DK gas 14% oil 14%

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