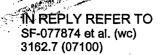
DR

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

DHC



August 21, 2003

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		
Hanks	#	24	B sec 05, T27N, R-9-W	3004523105	SF -077874	СН	gas oil	14% 00%	MV		86% 100%
Hardie E	#	2C	J sec 09, T28N, R-8-W	3004530905	SF -078499A	СН	gas oil	22% 22%	M∨	gas oil	78% 78%
San Juan # 70Y	27-5	Unit	O sec 08, T27N, R-5-W	3003927244	SF -079391	MV	gas oil	60% 60%	DK	gas oil	40% 40%
San Juan # 154	28-6	Unit	N sec 27, T28N, R-6-W	3003920389	SF- 079050D	MV	gas oil	93% 50%	DK	gas oil	07% 50%
San Juan # 49A	29-7	Unit	1 sec 20, T29N, R-7-W	3003921916	SF - 078424	M∨		58% 100%	DK	gas oil	42% 00%
San Juan # 124M	29-7	Unit	D sec 28, T29N, R-7-W	3003923958	SF - 078945	ΜV	gas oil	87% 87%	DK	gas oil	13% 13%

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