



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
NM - 03583 et al. (wc)
3162.7 (07100)

July 2, 2003

RECEIVED

JUL 7 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 |
|-------------------------------|------------------------|------------|--------------|-----------------------|-----------------------|
| San Juan 27-5 Unit # 108N | K Sec 15, T27N, R5W | 3003926933 | SF -079403 | MV gas 64% oil 64% | DK gas 36% oil 36% |
| San Juan 28 - 6 Unit # 203 | G Sec 07, T27N, R6W | 3003920847 | NM - 03583 | MV gas 43% oil 71% | DK gas 57% oil 29% |
| Harrington # 4X | G Sec 31, T27N, R7W | 3003926935 | SF -080511 | FC gas 43% oil 43% | PC gas 57% oil 57% |

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