



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

AUG 04 2003

OIL CONSERVATION
DIVISION

IN REPLY REFER TO
SF-078707 et al. (wc)
3162.7 (07100)

August 1, 2003

Kay S. Eckstein
Cordillera Energy, Incorporated
5802 Highway 64
Farmington, NM 87401

Re: Application requesting authorization to downhole commingle:

Dear Ms. Eckstein:

Reference is made to your application requesting authorization to downhole commingle gas and associated liquid hydrocarbons from the wells listed below. After reviewing the production history for this well, we have determined that the proposed commingled formations have similar projected decline rates, pressures, and fluid compatibility. As such, we hereby approve your request for commingling. The effective date is the date the downhole commingling actually occurs

| Well Name | Location | API # | Lease Number | Formation Allocation | Formation Allocation |
|--------------|----------------------|------------|--------------|-----------------------|-----------------------|
| Senter # 1 B | J sec 24, T31N, R13W | 3004531207 | SF -078464 | DK gas 29% oil 25% | MV gas 71% oil 75% |
| Duke # 1 C | B sec 13, T31N, R13W | 3004531211 | SF -078707 | DK gas 29% oil 25% | MV gas 71% oil 75% |

If you have any questions, please contact Matt Halbert, at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ Jim Lovato
WNA

for Jim Lovato
Team Leader, Petroleum Management Team

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