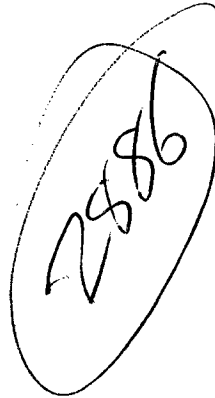


BURLINGTON

RESOURCES

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Aztec Federal #1
NWSE, Section 24, T-30-N, R-11-W
30-045-09319



Gentlemen:

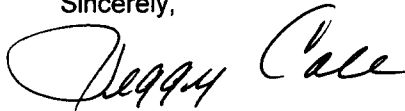
The above referenced well is a Chacra/Mesaverde/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on October 12, 2001. DHC-2886 was issued for this well.

Gas:	Chacra	2%
	Mesaverde	16%
	Dakota	82%

Oil:	Chacra	0%
	Mesaverde	0%
	Dakota	100%

These percentages are based upon reserves assigned to each formation founded on production from the respective formations before and after workover operations and separator tests completed on the Chacra and Mesaverde formations. The Chacra formation does not produce any oil and the Mesaverde test did not show any traces of oil therefore; oil percentages are allocated solely to the Dakota formation. Please let me know if you have any questions.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

Production Allocation Documentation

Aztec Federal #1

Production Allocation

Based on Remaining Reserves

Dakota / Mesaverde / Chacra Recompletion

Gas

	<u>RR (MMCF)</u>	<u>Allocation %</u>
Mesaverde	199	16%
Chacra	27	2%
Dakota	<u>1,000</u>	82%
All	1,226.65	

Oil

	<u>Allocation %</u>
Mesaverde	0%
Chacra	0%
Dakota	100%



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 28 2003

**OIL CONSERVATION
DIVISION**

IN REPLY REFER TO

NM- 02151B et al. (wc)
3162.7 (07100)

August 26, 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 No.	Lease # CA # / PA #	Formation Allocation	Formation Allocation	Formation Allocation
San Juan 30-6, Unit # 93B	F sec 33, T30N, R-7-W	30039 26893	NM - 02151B	PC gas 10% oil 10%	MV gas 82% oil 82%	DK gas 08% oil 08%
San Juan 30-6, Unit 93M	M sec 33, T30N, R-7-W	30039 26894	NM - 02151B	PC gas 63% oil 00%	MV gas 30% oil 00%	DK gas 07% oil 100%
Aztec Federal # 1	sec 24, T30N, R-11W	30045 09319	SF - 078171	CH gas 02% oil 00%	MV gas 16% oil 00%	DK gas 82% oil 100%
Ross Federal # 1R	sec 23, T30N, R-11-W	30045 31252	FEE CH (NM108185)-CA DK (NM13841)- CA	CH gas 29% oil 29%	MV gas 44% oil 44%	DK gas 27% oil 27%

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