



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-078198 et al. (wc)
3162.7 (07100)

August 2, 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
Nye SRC # 14	Sec 13, T30N, R11W	3004511663	SF -078198	MV gas 91% oil 00%	DK gas 09% oil 100%
San Juan 27-5 Unit # 103E	P Sec 14, T27N, R5W	3003923897	SF -079492B	MV gas 23% oil 36%	DK gas 77% oil 64%
San Juan 27-5 Unit # 131	B Sec 20, T27N, R5W	3003920394	SF -079392	MV gas 47% oil 00%	DK gas 53% oil 100%
San Juan 27-5 Unit # 146	M Sec 36, T27N, R5W	3003920462	State Lease	MV gas 85% oil 00%	DK gas 15% oil 100%
San Juan 28-5 Unit # 71N	G Sec 34, T28N, R5W	3003926308	SF - 079522	MV gas 64% oil 64%	DK gas 36% oil 36%
San Juan 28-6 Unit # 109	B Sec 01, T27N, R6W	3003907210	SF - 079363	MV gas 81% oil 00%	DK gas 19% oil 100%
San Juan 28-6 Unit # 205	G Sec 09, T27N, R6W	3003920850	SF - 079049	MV gas 75% oil 00%	DK gas 25% oil 100%
San Juan 28-6 Unit # 169N	O Sec 02, T27N, R6W	3003926782	State Lease	MV gas 28% oil 28%	DK gas 72% oil 72%

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