

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 Formation Allocation Allocation		
Nye SRC # 14	Sec 13, T30N, R11W	3004511663	SF -078198	_)1% 1)0%	DK gas oil	09% 100%
San Juan-27-5 Unit # 103E	P Sec 14, T27N, R5W	3003923897	SF -079492B	. •	23% I 36%	DK gas oil	77% 64%
San Juan 27-5 Unit # 131	B Sec 20, T27N, R5W	3003920394	SF -079392	_	17% I 00%	DK gas	53% 100%
San Juan 27-5 Unit # 146	M Sec 36, T27N, R5W	3003920462	State Lease	, ,	35% [I	OK gas	15% 100%
San Juan 28-5 Unit # 71N	G Sec 34, T28N, R5W	3003926308	SF - 079522		64% [64%	OK gas oil	36% 36%
San Juan 28-6 Unit # 109	B Sec 01, T27N, R6W	3003907210	SF - 079363		31% I 00%	OK gas oil	19% 100%
San Juan 28-6 Unit # 205	G Sec 09, T27N, R6W	3003920850	SF - 079049	, -	75% [100%	OK gas oil	25% 100%
San Juan 28-6 Unit # 169N	O Sec 02,T27N, R6W	3003926782	State Lease	, •	28% [28%	OK gas oil	72% 72%

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