

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-078115 3162.7 (07100)

Jan 28, 2002

Peggy Cole Burlington Resource 3401 East 30 th P.O. Box 4289 Farmington, New Mexico 87401

RE: Accept Commingle Applications and Allocation Method

Dear Ms. Cole

We have received your allocation factors and your Application for Downhole Commingling of the well listed below. We hereby accept your allocation factors using rate-time reserve estimate comparisons for each respective formation. DHC-2554 was issued for this well.

Grenier # 15 1470' FNL, 1690 FWL, Section 18F, T-31-N, R-11-W 30-045-11668 San Juan County, New Mexico

Gas:

Mesa Verde

81%

Dakota

19%

Oil:

Dakota

61%

Mesa Verde

39%

Commingled production from each zone must be reported in accordance with the allocation factors identified above. The effective date will be the date downhole commingling actually occurs.

If you have any questions, please contact Matt Halbert at 505-599-6350

Sincerely

JINOLOVATO

Team Leader, Petroleum Management Team

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

bcc:SF-078115

DOMR

07100: Mhalbert 1/28/02 Grenier # 15