

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 NM - 03040 - A et al. (wc) 3162.7 (07100)

April 18, 2002

Mr. Tim Tomberlin Phillips Petroleum Company 5525 HWY. 64 NBU 3004 Farmington, NM 87401

Re:

Accept Commingle Applications and Allocation Method.

Dear Mr. Tomberlin:

We have received your allocation factors and your Application for Downhole Commingling of the wells you submitted. After review, we hereby accept your submitted allocation factors. The date it becomes effective is listed below.

Well Name	Location	API#	Lease Number	Formation Allocation	Formation Allocation	Effective Date
San Juan 29-6 #51	Unit N, Section 31, T29N, R6W	30039 - 07470	NM - 03040-A	MV 61%	PC 39%	6-1-01
San Juan 29-6 #90	Unit G, Section 15, T29N, R6W	30039- 07622	SF - 078278	MV 31%	DK 69%	7-1-01

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

Sincerely,

/s/ fim Lovato

Jim Lovato

Team Leader, Petroleum Management Team.

Enclosures:

cc:

NMOCD Aztec, NM NMOCD Sante Fe, NM