



# United States Department of the Interior

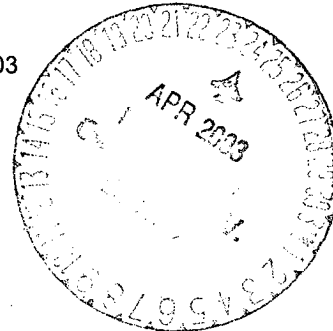
## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

IN REPLY REFER TO  
SF-080669 et al. (wc)  
3162.7 (07100)

April 24, 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.

Well Name	Location	API #	Lease Number	Formation Allocation	Formation Allocation
San Juan 27-4 Unit # 126	L Sec 20, T27N, R-4-W	3003921022	SF- 080669	PC gas 60% oil 00%	MV gas 40% oil 100%
San Juan 27-5 Unit # 31	A Sec 24, T27N, R-5-W	3003907022	SF- 079492B	PC gas 15% oil 00%	MV gas 85% oil 100%
Reid # 16R	Sec 18, T28N, R-9-W	3004530847	NM-01772A	FC gas 62% oil 62%	PC gas 38% oil 38%
San Juan 28-5 Unit # 33M	P Sec 18, T28N, R-5-W	3003927020	SF -080516A	MV gas 57% oil 57%	DK gas 43% oil 43%
Reid PRI # 2R	Sec 13, T29N, R-12-W	3004530843	SF - 075587	FC gas 04% oil 04%	PC gas 96% oil 96%
East # 11M	Sec 24, T31N, R-12-W	3004530947	SF - 077652	MV gas 43% oil 43%	DK gas 57% oil 57%
Heaton # 7M	Sec 29, T31N, R-11-W	3004530912	SF -078097	MV gas 60% oil 60%	DK gas 40% oil 40%

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, Santa Fe, NM  
NMOCD, Aztec, NM