



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-079491A et al. (wc)
3162.7 (07100)

May 7, 2003

Peggy Cole
Burlington Resources
P.O. Box 4289
Farmington, NM 87401

Re: Accept Commingle Applications and Allocation Method:

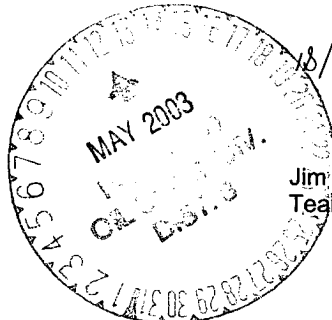
Dear Ms. Cole:

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 27-5 Unit # 113E <i>DHCG40A2</i>	C Sec 10,T27N, R-5-W	3003926605 <i>22638</i>	SF-079491A	MV gas 45% oil 59%	DK gas 55% oil 41%
Lloyd # 2A <i>SF</i>	Sec 24,T30N, R-11-W	3004529531	SF- 078144	CH gas 38% oil 00%	MV gas 62% oil 100%
Nye SRC # 3 <i>DHCG967A2</i>	Sec 01,T30N, R-11-W	3004509864	SF -078198	PC gas 17% oil 00%	MV gas 83% oil 100%
Allison Unit Unit # 31 <i>SF</i>	Sec 14,T32N, R-7-W	3004523296	SF- 078459B	GL gas 09% oil 00%	DK gas 91% oil 00%

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