

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: NMSF079086 3162.7 (07100)

March 14, 2000

Mr. George Sharpe Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, NM 87401-2634

RE: Canada Mesa Com No. 4 790' FNL & 790' FEL A - Sec. 10, T. 24 N., R. 6 W. Rio Arriba County, NM

Dear Mr. Sharpe:



We have received your Application for Downhole Commingling of the Devils Fork Gallup and Basin Dakota formations in the above mentioned well. After review, we hereby approve your application for downhole commingling and the submitted allocation factors. The effective date is the date that downhole commingling occurs. The approved allocation factors are:

Basin Dakota	5% OIL	43% GAS
Devils Fork Gallup	95% OIL	57% GAS

If you have any questions, please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/s/ Charlie Beecham

Charlie Beecham Acting Team Lead Petroleum Management Team

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