



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

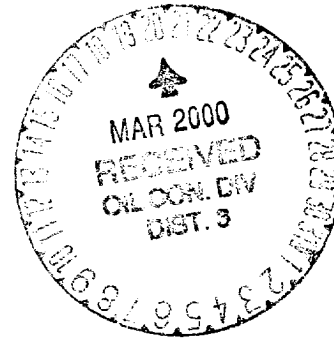
Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMNM03733
3162.7 (07100)

March 15, 2000

Mr. Robert Verquer
Caulkins Oil Company
P.O. Box 340
Bloomfield, NM 87413

RE: Breech No. 224
865' FNL & 1140' FEL
Sec. 13, T. 26 N., R. 7 W.
Rio Arriba County, NM



Dear Mr. Verquer:

We have received your Application for Downhole Commingling of the Greenhorn and Mesaverde formations separated with a packer and dualled with the commingled Chacra and Pictured Cliffs 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:

Blanco Mesaverde	60% OIL	70% GAS
Undesignated Greenhorn	40% OIL	30% GAS

South Banco Pictured Cliffs	0% OIL	70% GAS
Otero Chacra	0% OIL	30% 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