

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: 3162.7 (07100)

March 13, 2002

Ms. Peggy Cole Burlington Resources PO Box 4289 Farmington, NM 87499

RE: Accept downhole commingle applications and allocation factors

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 established in your application. The effective date is the date that downhole commingling actually occurs. The wells and the approved allocation factors are listed below. In the case where oil allocations were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
Riddle B # 5	SF 078200B	Sec 23, T30N, R10W	3004520353	DK gas 93%	GP gas 7%
				Oil 93%	Oil 7%
Kelly #2B	NM 04240	Sec 35, T30N, T10W	3004530418	MV gas 69%	CH gas 31%
				Oil 100%	Oil 0%
San Juan 27-5 #11	SF 079403 PC(NMNM078409C) MV(NMNM078409B)	Sec 27, T27N, R5W	3003906914	PC gas 70%	MV gas 30%
	INT V (INIVITATION 078409B)			Oil 70%	Oil 30%
San Juan 28-6 #105M	SF 079051B MV(NMNM078412A) DK(NMNM078412C)	Sec 35, T28N, R6W	3003926643	MV gas 56%	DK gas 44%
	DIK(MMMMO/8412C)			Oil 44%	Oil 44%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.



079403

February 26, 2002

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

Re:

San Juan 27-5 Unit #11

H Section 27, T-27-N, R-5-W

30-039-06914

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. The well was recompleted 2-25-02. DHC-318az was issued for this well.

Gas:

Pictured Cliffs

70% NM 078409C

Mesaverde

30%

Oil:

Pictured Cliffs

70% -

Mesaverde

30% -

These allocations are based on isolated flow tests from the Pictured Cliffs and Mesaverde during recompletion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future. Please let me know if you have any questions.

Sincerely.

Peggy Cole

Regulatory Supervisor

Xc:

NMOCD - Santa Fe

Bureau of Land Management

3401 East 30th, Post Office Box 4289, Farmington, NM 87499 505-326-9727 Fax: 505-326-9563

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

San Juan 27-5 Unit #11 (Mesaverde/Pictured Cliffs) Commingle Unit H, 27-T27N-R5W Rio Arriba County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 185 MCFD & 0 BO

Separator test from Pictured Cliffs = 438 MCFD & 0 BO

GAS:

$$\frac{\text{(MV) }185 \text{ MCFD}}{\text{(MV/ PC) }623 \text{ MCFD}} = \text{(MV) }\% \text{ Mesaverde } 30\%$$

OIL: