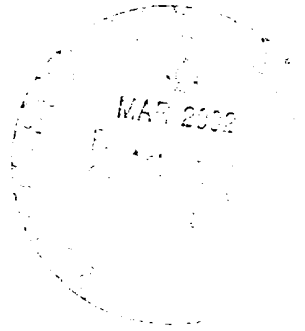
United States Department of the Interior

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% Oil 93%	GP gas 7% Oil 7%	1246
Kelly #2B	NM 04240	Sec 35, T30N, T10W	3004530418	MV gas 69% Oil 100%	CH gas 31% Oil 0%	619A2
San Juan 27-5 #11	SF 079403 PC(NMNM078409C) MV(NMNM078409B)	Sec 27, T27N, R5W	3003906914	PC gas 70% Oil 70%	MV gas 30% Oil 30%	318A2
San Juan 28-6 #105M	SF 079051B MV(NMNM078412A) DK(NMNM078412C)	Sec 35, T28N, R6W	3003926643	MV gas 56% Oil 44%	DK gas 44% Oil 44%	376A2

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

Sincerely,

Jim Lovato
Team Lead, Petroleum Management Team

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

bcc: San Juan 28-6 Unit File, MV(NMNM078412A), DK(NMNM078412C)
San Juan 27-5 Unit File, PC(NMNM078409C), MV(NMNM078409B)
Well Files
DOMR
07100:AGarcia:3/13/02:x6358:Burlington

BURLINGTON RESOURCES

SF 079051B

February 26, 2002

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

Re: San Juan 28-6 Unit #105M
I Section 35, T-28-N, R-6-W
30-039-26643

Gentlemen:

Attached is a copy of the allocation for the commingling of the subject well. The well was completed 2-5-02. DHC-569az was issued for this well.

Gas:	Mesaverde	56%	
	Dakota	44%	
Oil:	Mesaverde	~~0%~~	56%
	Dakota	~~100%~~	44%

These allocations are based on isolated flow tests from the Mesaverde and Dakota during completion operations. Please let me know if you have any questions.

Sincerely,

Peggy Cole

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 28-6 Unit #105M
(Mesaverde/Dakota) Commingle
Unit H, 35-T28N-R6W
Rio Arriba County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 1774 MCFD & 0 BO

Separator test from Dakota = 1415 MCFD & .125 BO

GAS:

$$\frac{\text{(MV) 1774 MCFD}}{\text{(MV/ DK) 3189 MCFD}} = \text{(MV) \% Mesaverde 56\%}$$

$$\frac{\text{(DK) 1415 MCFD}}{\text{(MV/DK) 3189 MCFD}} = \text{(DK) \% Dakota 44\%}$$

OIL:

$$\frac{\text{(MV) 0 BO}}{\text{(MV/ DK) .125 BO}} = \text{(MV) \% Mesaverde 0\%}$$

$$\frac{\text{(DK) .125 BO}}{\text{(MV/ DK) .125 BO}} = \text{(DK) \% Dakota 100\%}$$

BURLINGTON RESOURCES

SF 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 0784090
	Mesaverde	30%	B
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:

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

$$\frac{\text{(PC) 438 MCFD}}{\text{(MV/PC) 623 MCFD}} = \text{(PC) \% Pictured Cliffs 70\%}$$

OIL:

$$\frac{\text{(MV) 0 BO}}{\text{(MV/ PC) 0 BO}} = \text{(MV) \% Mesaverde 30\%}$$

$$\frac{\text{(PC) 0 BO}}{\text{(MV/ PC) 0 BO}} = \text{(PC) \% Pictured Cliffs 70\%}$$

BURLINGTON RESOURCES

NM 04240

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

Re: Kelly #2B
NENE, Section 35, T-30-N, R-10-W
30-045-30418
San Juan County, New Mexico

Gentlemen:

The above referenced well is a Mesaverde/Chacra commingle. Attached is a copy of the allocation for the commingling of the subject well completed on February 13, 2002. DHC-619az was issued for this well.

Gas:	Mesa Verde	69%
	Chacra	31%
Oil:	Mesa Verde	100%
	Chacra	0%

These allocations are based on isolated flow tests from the Mesa Verde and Chacra during completion operations. 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

FARMINGTON COPY

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

Kelly #2B
(Mesaverde/Chacra) Commingle
Unit A, 35-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

Separator test from Mesaverde = 584 MCFD & .07 BO

Separator test from Chacra = 266 MCFD & 0 BO

GAS:

$$\frac{\text{(MV) 584 MCFD}}{\text{(MV/ CH) 850 MCFD}} = \text{(MV) \% Mesaverde 69\%}$$

$$\frac{\text{(CH) 266 MCFD}}{\text{(MV/CH) 850 MCFD}} = \text{(CH) \% Chacra 31\%}$$

OIL:

$$\frac{\text{(MV) .07 BO}}{\text{(MV/ CH) .07 BO}} = \text{(MV) \% Mesaverde 100\%}$$

$$\frac{\text{(CH) 0 BO}}{\text{(MV/ CH) .07 BO}} = \text{(CH) \% Chacra 0\%}$$

BURLINGTON RESOURCES

SF 078200B

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

REVISED

Re: Riddle B #5
SWSE, Section 23, T-30-N, R-10-W
30-045-20353

Gentlemen:

The above referenced well is a Gallup/Dakota commingle. Attached is a copy of the allocation for the commingling of the subject well completed on April 1, 1996. DHC-1246 was issued for this well.

Gas:	Dakota	93%
	Gallup	7%
Oil:	Dakota	93%
	Gallup	7%

These allocations are based on isolated flow tests from the Gallup and Dakota during completion operations. The Dakota was re-stimulated and the Gallup formation added. Since oil was not present during flow test operations, oil percentages are based upon gas allocation. These allocations 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 FLOW TEST INFORMATION

Riddle B #5
(Gallup / Dakota) Commingle
Unit O, 23-T30N-R10W
San Juan County, New Mexico

Allocation Formula Method:

1996 Flow Test from Dakota = 1093 MCFD & 0 BO

1996 Flow Test from Gallup = 77 MCFD & 0 BO

GAS:

$$\frac{(DK)\ 1093\ \text{MCFD}}{(DK/GP)\ 1{,}170\ \text{MCFD}} = (DK)\ \%\ \text{Dakota } 93\%$$

$$\frac{(GP)\ 77\ \text{MCFD}}{(DK/GP)\ 1{,}170\ \text{MCFD}} = (GP)\ \%\ \text{Gallup } 7\%$$

OIL:

$$\frac{(DK)\ 0\ \text{BO}}{(DK/GP)\ 0\ \text{BO}} = (DK)\ \%\ \text{Dakota } 93\%$$

$$\frac{(GP)\ 0\ \text{BO}}{(DK/GP)\ 0\ \text{BO}} = (GP)\ \%\ \text{Gallup } 7\%$$