



United States Department of the Interior

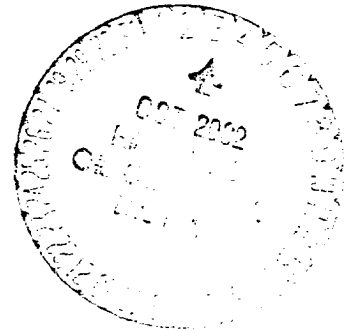
BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
SF-078138 et al. (wc)
3162.7 (07100)

Sept 27, 2002

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. 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	Location	API #	Lease Number	Formation Allocation	Formation Allocation
Morris A # 13A	Sec 15, T30N, R-11-W	3004526586	SF- 078138	CH gas 61% oil 00%	MV gas 39% oil 100%
Reid # 16R	Sec 18, T28N, R-9-W	3004530847	NM - 01772A	FC gas 94% oil 94%	PC gas 06% oil 06%
✓ San Juan 28-5 Unit # 66M	I Sec 29, T28N, R-5-W	3003925681	SF- 079521A	MV gas 81% oil 50%	DK gas 19% oil 50%
San Juan 28-5 Unit # 41	A Sec 32, T28N, R-5-W	3003907276	SF - 079521	MV gas 75% oil 100%	DK gas 25% oil 00%
San Juan 28-6 Unit # 146M	F Sec 24, T27N, R-6-W	3003926976	SF - 079365	MV gas 67% oil 67%	DK gas 33% Oil 33%
San Juan 27-4 Unit # 139M	J Sec 09, T27N, R-4-W	3003926539	SF -080668	MV gas 84% oil 84%	DK gas 16% oil 16%

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, Santa Fe, NM
NMOCD, Aztec, NM