

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)

Mark Son

February 7, 2002

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

RE: Accept downhole commingle applications & 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.

| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
|-----------------|------------|-----------------------|------------|-------------------------|-------------------------|
| Hare #22 | SF-076958 | sec 14, T29N, R10W | 3004523190 | PC gas 40% | MV gas 60% |
| | | | | Oil 0% | Oil 100% |
| Primo Mudge #1A | SF-078039A | sec 24, T32N, R11W | 3004522459 | PC gas 37% | MV gas 63% |
| | | | | Oil 0% | Oil 100% |
| Grenier #4A | SF-078115 | sec 7, T31N, R11W | 3004521795 | PC gas 6% | MV gas 94% |
| | | | | Oil 0% | Oil 100% |
| Tommy Bolack #1 | NM-02707 | sec 1, T30N, R12W | 3004524575 | GP gas 62% | DK gas 38% |
| | | | | Oil 39% | Oil 61% |
| Dacker #2A | SF-078147 | sec 26, T32N, R12W | 3004522852 | PC gas 5% | MV gas 95% |
| | | 101244 | | Oil 0% | Oil 100% |
| Sunray E #2 | SF-077730 | sec 9, T30N, R10W | 3004509662 | PC gas 20% | MV gas 80% |
| | | | ! | Oil 0% | Oil 100% |
| Sunray B #1B | SF-078125 | sec 15, T30N, R10W | 3004530010 | MV gas 47% | DK gas 53% |
| | | | | Oil 0% | Oil 0% |
| Reese Mesa #6 | NM-6889 | sec 10, T32N, R8W | 3004523622 | MV gas 86% | DK gas 14% |
| | | | | Oil 50% | Oil 50% |

