



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-077107A, et al. (wc)
3162.7 (07100)

May 10, 2002

Peggy Cole
Burlington Resources
P.O. Box 4289
Farmington, NM 87401

Re: Applications requesting authorization to down hole commingle.

Dear Ms. Cole:

Reference is made to your application requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the wells listed below. After reviewing the production history of these wells, we have determined these formations have similar projected decline rates, pressures, and fluid compatibility for the pool combinations applied for. As such, we hereby approve your request for commingling. Upon completion, please provide allocation methodology.

Well Name	Location	API#	Lease Number	Formation	Formation	Formation
Hancock # 3	M Sec 22 T28N, R9W	30045- 07253	SF-077107A	Fruitland coal	Pictured Cliffs ★	Mesaverde ★
San Juan 29- 7 Unit # 92R	N Sec 16, T29N, R7W		State Lease	Fruitland Coal		Mesaverde

★ Indicates the PC and MV intervals are producing as a commingled zone.

The Kelly 4M well is located below the Chacra line. Subsequently there are three separate pools to be considered in your request. After review, they were seen as having similar decline rates, pressures and fluid compatibility to be approved as a tri mingled well, Upon completion, please provide allocation methodology.

Well Name	Location	API#	Lease Number	Formation	Formation	Formation
Kelly # 4M	G Sec 35, T30N, R10W	30045- 30403	NM - 04240	Chacra	Mesaverde	Dakota

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

Enclosures:

cc:

NMOCD, Aztec, NM
NMOCD, Santa Fe, NM