DHC-1761



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: CA-NMNM68164 (NMA60) CA- NMNM68165 (NMA44) 3162.7 (07100)

March 14, 2000

Mr. George Sharpe Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, NM 87401-2634

RE: Canada Mesa Com No. 4E 1520' FNL & 1650' FWL Sec. 10, T. 24 N., R. 6 W. Rio Arriba County, NM

Dear Mr. Sharpe:

We have received your Application for Downhole Commingling of the Devils Fork Gallup and Basin Dakota formations in the above mentioned well. After review, we hereby approve your application for downhole commingling and the submitted allocation factors. The effective date is the date that downhole commingling occurs. The approved allocation factors are:

Basin Dakota	14% OIL	48% GAS
Devils Fork Gallup	86% OIL	52% GAS

If you have any questions, please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/s/ Charlie Beach

Charlie Beecham Acting Team Lead Petroleum Management Team

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

