

DHC 2110



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:

DEC - 1 1998

SF-080675
3162.3-2 (07400)

Burlington Resources
Attn.: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

Re: Well No. 101 San Juan 27-4
SWNE 28-27N-4W
Lease No. SF-080675
San Juan County, New Mexico

Dear Ms. Bradfield:

Reference is made to your application dated August 31, 1998, requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the Mesaverde and Dakota formations in the above referenced well. After reviewing the production histories of the Mesaverde and Dakota Formations, we have determined that these intervals have similar decline rates, pressures, and fluid characteristics. As such, we hereby approve your request for down hole commingling and allocation of production. The fixed allocation factors for the Mesaverde and Dakota production are outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Dakota	37.96%	25.06%
Mesaverde	62.04%	74.94%

Commingled production from each zone must be reported in accordance with these established allocation factors. The effective date of commingling will be the date commingling first occurs.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,
/S/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management Team

cc:
/ NMOCD, Santa Fe
NMOCD, Aztec