

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)

October 9, 2001

Ms. Peggy Cole Burlington Resources Oil & Gas Company P.O. Box 4289 Farmington, NM 87499

RE: Township 11 & 12 west - Accept downhole commingle applications & allocation factors

Dear Ms. Cole:

We have received your applications for downhole commingling of several formations in wells in the two township area. After review, we hereby accept your applications for downhole commingling and the submitted allocation factors. The effective date is the date that downhole commingling actually occurs. The wells and the approved allocation factors are listed below.

If you have any questions, please contact the undersigned with this office at (505) 599-6365.

Sincerely,

Joe Hewitt

Joe Herrott

Geologist, Petroleum Management Team

cc: NMOCD, Santa Fe, NM NMOCD, Aztec, NM **Burlington Resources 11W Downhole Commingle Allocation Factors**

| Well Name | Lease | Location | API# | Formation Allocation | Formation Allocation |
|--------------------------|------------|---------------------|------------|------------------------|----------------------|
| Angel Peak B #37 | SF-047017B | A sec 24, T28N,R11W | 3004525654 | Chacra gas 26% oil 50% | FC gas 26% oil 50% |
| Aztec Federal #1 | SF-078171 | J sec 24, T30N,R11W | 3004509319 | Chacra/MV/DK | |
| Cedar Hill #1M | SF-078144 | E sec 24, T30N,R11W | 3004530078 | MV gas 69% oil 0% | DK gas 31% oil 0% |
| Childers #1A | SF-078040A | P sec 1, T31N,R11W | 3004522110 | MV gas 84% oil 100% | PC gas 16% oil 0% |
| Davis Federal #1M | SF-080869 | K sec 25, T30N,R11W | 3004529746 | Chacra/MV/DK | |
| Frontier E #1E | SF-078872A | G sec 4, T27N,R11W | 3004524102 | Gallup gas 13% oil 68% | DK gas 87% oil 32% |
| Fifield #4A | SF-078138 | N sec 21, T30N,R11W | 3004529438 | Chacra/MV | |
| Grenier #1B | SF-078115 | H sec 6, T31N,R11W | 3004530240 | MV gas 56% oil 50% | DK gas 44% oil 50% |
| Griener#6 | SF-0780115 | K sec 20, T31N,R11W | 3004510494 | MV gas 58% oil 100% | PC gas 42% oil 0% |
| Grenier #13E | SF-078115 | F sec 20, T31N,R11W | 3004525332 | MV gas 85% oil 50% | DK gas 15% oil 50% |
| Grenier #17 | SF-078115 | D sec 6, T31N,R11W | 3004511698 | MV gas 63% oil 88% | DK gas 37% oil 12% |
| Hampton #4M (need % oil) | SF-078144 | N sec 13, T30N,R11W | 3004525810 | MV gas 27% oil ?% | DK gas 73% oil ?% |
| Heaton #7B | Fee | K sec 29, T31N,R11W | 3004530105 | MV gas 25% oil 50% | DK gas 75% oil 50% |
| Johns #1A | Fee | D sec 19, T32N,R11W | 3004521814 | MV gas 83% oil 0% | PC gas 17% oil 0% |
| Lawson #1A | SF-079269 | D sec 12, T31N,R11W | 3004522124 | MV gas 77% oil 100% | PC gas 23% oil 0% |
| Lawson SCR#2 Add MV | NM-010989 | B sec 31, T32N,R11W | 3004520347 | DK gas 62% oil 100% | PC gas 38% oil 0% |
| Lloyd #2A | SF-078144 | D sec 12, T31N,R11W | 3004522124 | MV gas 77% oil 100% | PC gas 23% oil 0% |
| Mangum #5E | Fee | A sec 29, T29N,R11W | 3004523672 | Chacra gas 30% oil 0% | DK gas 70% oil 100% |
| Morris A #13A | SF-078138 | I sec 15, T30N,R11W | 3004526586 | Chacra/MV | |
| Morris #102 | SF-078138 | H sec 28, T30N,R11W | 3004529542 | Chacra/MV | |
| Nye#14E or Hare#14E | SF-078144 | G sec 13, T30N,R11W | 3004524461 | MV gas 95% oil 70% | DK gas 5% oil 30% |
| Nye #3A | SF-078198 | P sec 1, T30N,R11W | 3004522696 | MV gas 73% oil 72% | DK gas 27% oil 28% |
| Payne Com #1B | SF-078144 | N sec 26, T30N,R11W | 3004523672 | Chacra gas 37% oil 0% | MV gas 63% oil 0% |
| Ross Federal #1 | SF-078138 | G sec 23, T30N,R11W | 3004509348 | Chacra/MV/DK | |
| Taylor Com #2A | Fee | A sec 17, T30N,R11W | 3004526224 | Chacra gas 34% oil 21% | MV gas 66% oil 79% |
| Titt #2A | SF-078115 | O sec 35, T31N,R11W | 3004522914 | MV gas 90% oil 100% | PC gas 10% oil 0% |
| Waller #1A | SF-078119A | P sec 11, T32N,R11W | 3004522457 | MV gas 64% oil 87% | PC gas 36% oil 13% |

blanks indicate no allocation factors submitted only application