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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

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POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**ADMINISTRATIVE ORDER DHC-946**

Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500

Attention: Jerry W. Hoover

RECEIVED  
NOV 18 1993  
OIL CON. DIV.)  
DIST. 3

*AXI Apache "N" Well No. 10  
Unit L, Section 2, Township 25 North, Range 4 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco Mesaverde and South Blanco-Pictured Cliffs Pools*

Dear Mr. Hoover:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Pictured Cliffs	Oil	0%	Gas	37%
Mesaverde	Oil	100%	Gas	63%

*Administrative Order DHC-946*  
*Conoco, Inc.*  
*November 10, 1993*  
*Page 2*

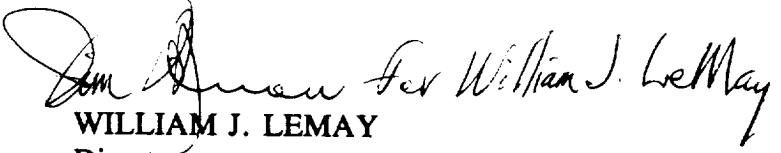
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FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 10th day of November, 1993.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/DRC/amg

cc: Oil Conservation Division -Aztec  
Oil Conservation Division -Data Processing (Donna McDonald)