



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1606

Central Resources, Inc.
PO Box 2810
Farmington, New Mexico 87499

RECEIVED
JUL 31 1997

Attention: Mr. Thomas W. DeLong

OIL CON. DIV.
DIST. 3

Re: *Candado #24
Unit M, Section 09, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Otero-Chacra (Gas - 82329) and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Mr. DeLong:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 zones is hereby placed in abeyance.

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:

Otero- Chacra Pool	Oil 0%	Gas 7%
Blanco-Mesaverde Pool	Oil 100%	Gas 93%

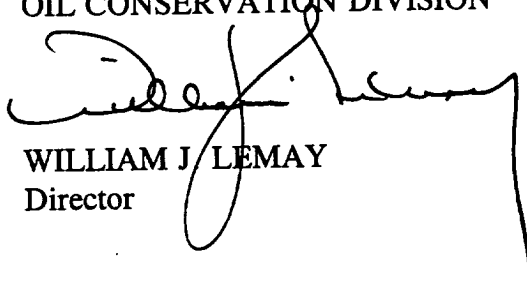
REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-1606
Central Resources, Inc.
July 24, 1997
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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 24th day of July, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/EB

cc: Oil Conservation Division - Aztec /
Bureau of Land Management - Farmington



BRUCE KING
GOVERNOR

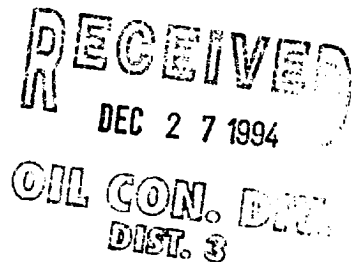
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1061

Central Resources, Inc.
2600 Mellon Center
1775 Sherman Street
Denver, Colorado 80203-4313

Attention: Marty Proctor



*Candado No. 24
Unit M, Section 9, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde and Otero-Chacra Gas Pools*

Dear Mr. Proctor:

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 20 barrels per day, and total water production shall not exceed 40 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.

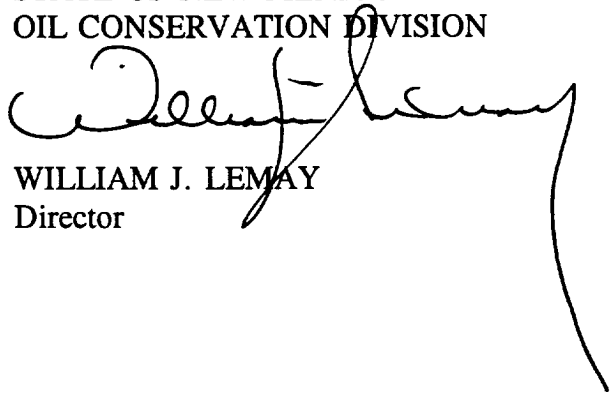
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Chacra Pool	Oil	0%	Gas	24%
Mesaverde Pool	Oil	100%	Gas	76%

Pursuant to Rule 303-C-5, the commingling authority granted by this 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 20th day of December, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/DC/kv

cc: Oil Conservation Division - Aztec