



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

RECEIVED
JAN 19 1993
OIL CON. DIV.
DIST. 3

MERIDIAN OIL

AUG 20 1992
FARMINGTON, NEW MEXICO
REGULATORY

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

ADMINISTRATIVE ORDER DHC-847

Meridian Oil, Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Richard E. Fraley



*Order No. 5 ✓
Unit O, Section 25, Township 28 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Fulcher Kutz-Pictured Cliffs and Basin-Fruitland Coal Pools*

Dear Mr. Fraley:

Reference is made to y
Rules and Regulation
in the wellbore.

tion for an exception to Rule 303-A of the Division
all to commingle production from both pools

It appearing that t'
provisions of Ru'
downhole comm
authorized to c
authorized the
in abeyance.

approval for such exception pursuant to the
damage or waste will not result from such
s will not be violated thereby, you are hereby
described above and any Division Order which
ed separation of the two zones is hereby placed

6176

In accorda
the subject
exceed 40 barrels p.
the well shall be determin
each respective prorated pool
Schedule.

le 303-C-4., total commingled oil production from
arrels per day, and total water production shall not
um amount of gas which may be produced daily from
ion Rules and Regulations or by the gas allowable for
rinted in the Division's San Juan Basin Gas Proration

2600 412-1
1947 Home MCI
~~2nd~~ Because we didn't
know one?
Some for #4

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

Monthly gas production from the Fulcher Kutz - Pictured Cliffs Gas Pool shall be calculated utilizing the following formula:

$$Q_2 = Q_1 (1 - D_e)^{Yr} \text{ MCFD}$$

Where
 D_e = Effective Decline in %/yr. (Derived from production plot)
 Q_2 = Rate two (at some future date) MCFD
 Q_1 = Rate one (current rate) MCFD
 Yr = Years into the future from current date

Any gas production above what is calculated by the aforementioned formula shall be attributed to the Basin-Fruitland Coal Gas Pool.

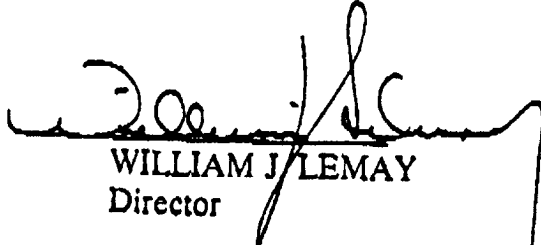
Any condensate production shall be allocated entirely to the Fulcher Kutz - Pictured Cliffs Gas Pool.

An annual report shall be submitted by the operator to both the Santa Fe and Aztec offices of the Division showing the complete allocation computations for each month.

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 29th day of July, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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