

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3151

Burlington Resources Oil & Gas Company PO Box 4289 Farmington, New Mexico 87499

Attention: Peggy Cole

Johnson A Com G Well No. 18 API No. 30-039-25324 Unit K, Section 36, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico Otero-Chacra (Gas 82329), Blanco-Mesaverde (Prorated Gas 72319), and Basin-Dakota (Prorated Gas - 71599)

Dear Ms. Cole:

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 well bore.

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.

In accordance with the provisions of Rule 303.C.(1), the maximum amount of gas that may be produced from the prorated gas pools shall be determined by Division Rules and Regulations, or by the gas allowable 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 unless modified with Division permission and copied to this office.

Otero-Chacra Gas Pool	Oil-0%	Gas-22%
Blanco-Mesaverde Prorated Gas Pool	Oil-20%	Gas-23%
Basin-Dakota Prorated Gas Pool	Oil-80%	Gas-55%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of May 2003.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Division Director

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cc: Oil Conservation Division – Aztec State Land Office – Mineral Resources Division