

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-1176-A

Order Date: April 8, 2014

Application Reference Number: pMAM1406658337

Chevron Midcontinent, L.P.
332 Road 3100
Aztec, NM 87410

Attention: April Pohl

Rincon Unit Well No. 186M
API No. 30-039-25406
Unit L, Section 33, Township 27 North, Range 7 West, NMPM
Rio Arriba County, New Mexico

Pool	BLANCO MESAVERDE	Prorated	Gas	(72319)
Names:	BASIN DAKOTA	Prorated	Gas	(71599)
	LARGO GALLUP	Prorated	Gas	(80000)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A. (6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the subtraction method. The total production of the well minus the established production for the Basin Dakota and Blanco Mesaverde, which are commingled, shall be assigned to the Largo Gallup Pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

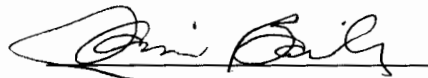
It is also understood that you have given due notice of this application, as defined in Division Rule 19.15.4.12A. (6) NMAC, to all owners of interest when ownership is not common for the commingled zones within the spacing unit.

REMARKS: The operator shall notify the Aztec District office prior to implementation of the commingling operations.

This order supersedes Administrative Order DHC-1176, dated December 21, 1995, with respect to commingling within Rincon Unit Well No. 186M

This Order is subject to like approval from the United States Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management - Farmington