

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-1182

Marathon Oil Company P.O. Box 552 Midland, Texas 79702-0552

Attention: Mr. Jerry Fletcher

Jicarilla Apache No. 12 API No. 30-039-20002 Unit A, Section 33, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Blanco-Mesaverde (Prorated Gas – 72319), Basin-Dakota (Prorated Gas – 71599) and Otero-Chacra (Gas – 82329) Pools

Dear Mr. Fletcher:

Reference is made to your recent application for an amendment to Division Order No. DHC-1182 dated January 4, 1996, which order authorized the downhole commingling of Blanco-Mesaverde and Basin-Dakota Gas Pool production within the well, to add the Otero-Chacra Gas Pool as a third commingled zone in the wellbore.

It appearing that the subject well qualifies for approval for such amendment 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:

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Basin-Dakota Gas Pool	Oil-N/A	Gas-33%
Blanco-Mesaverde Gas Pool	Oil-N/A	Gas-30%
Otero-Chacra Gas Pool	Oil-N/A	Gas-37%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 4th day of October, 2000.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

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