



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order DHC-3647

Burlington Resources Oil & Gas Company, LP
P.O. Box 4289
Farmington, NM 87499

Attention: Cory McKee

Sunray C Well No. 100
API No. 30-045-33508
Unit A, Section 1, Township 30 North, Range 11 West, NMPM,
San Juan County, New Mexico
Basin Fruitland Coal Gas (71629),
Aztec-Pictured Cliffs Gas (71280), and
Undesignated North Aztec-Fruitland Sand Gas (71240) Pools

Dear Mr. McKee:

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

It is our understanding that revenue interests are diverse between the Pictured Cliffs and the Fruitland (sands and coals) and that further testing must be done prior to obtaining the final allocation percentages.

Following completion of this well or workover, the applicant shall submit the test results, the reasoning used to assign allocation percentages, and the final allocation percentages to

the Division in Santa Fe.

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

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 March 29, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", with a horizontal line extending to the right.

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec