

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Administrative Order DHC-4025

Order Date: 5/30/2008

Application Reference Number: pKVR0813345781

M & G DRLG CO INC  
7415 E. Main Street  
FARMINGTON, NM 87402

Attention: Walsh Engineering (Paul Thompson)

GRAHAM Well No. 001B  
API No: 30-045-32645  
Unit H, Section 4, Township 27 North, Range 8 West, NMPM  
San Juan County, New Mexico  
Pool: Basin Dakota (Prorated Gas) Gas 71599  
Names: Blanco-Mesaverde(Prorated Gas) Gas 72319  
Otero Chacra (Gas) Gas 82329

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.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

Basin Dakota (Prorated Gas) Pool	Pct Gas: 27	Pct Oil: 52
Blanco-Mesaverde(Prorated Gas) Pool	Pct Gas: 63	Pct Oil: 46
Otero Chacra (Gas) Pool	Pct Gas: 10	Pct Oil: 2

These percentages shall be amended only with written permission of the Division.



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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

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

MARK E. FESMIRE, P.E.  
Director

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