



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3254

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

Attention: Leonard Biemer

*Hardie E Well No. 2B
API No. 30-045-31179
Unit L, Section 9, Township 28 North, Range 8 West, NMPM,
San Juan County, New Mexico
Basin-Dakota (Prorated Gas - 71599),
Undesignated Otero-Chacra (Gas - 82329), and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Mr. Biemer:

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 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 well shall be determined by Division Rules and Regulations.

Allocation percentages for assignment of allowable to the well and allocation of production from the well shall be supplied to the Division office in Santa Fe and to all revenue interest owners in this well within 60 days following completion of the well. Thereafter, these percentages shall be amended only with permission of the Division office in Santa Fe and notification sent to all revenue interest owners in the well.

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 6th day of April 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOANNA PRUKOP
Acting Division Director

JP/wvjj

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