



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

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SANTA FE, NEW MEXICO 87501
(505) 827-5800

January 2, 1984

Administrative Order No. DHC-448

Chace Oil Company, Inc.
313 Washington SE
Albuquerque, NM 87108

Attention: Ross Easterling, Landman

Re: Jicarilla Tribal Contract
#47 Well No. 7-JV, Unit A,
Sec. 13, T-23-N, R-4-W, Rio
Arriba County, New Mexico,
Chacon Dakota and Undesignated
Gallup Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both 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.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Chacon Dakota Associated Pool.

Assignment of allowable to the well and allocation of production from the well shall be based on production tests

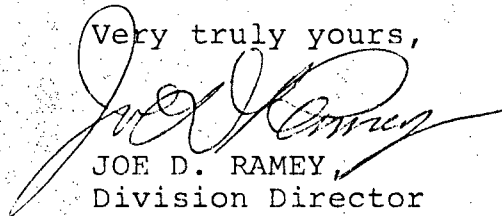
required by the Aztec District Office. Contact the Aztec District Supervisor as to what tests he requires and then report your results of these tests to this office.

Temporary assignment of allocation of production until production tests may otherwise deem, shall be:

Chacon Dakota Associated Pool:	Oil 75 %, Gas 56 %
Undesignated Gallup Pool:	Oil 25 %, Gas 44 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY
Division Director

JDR/GQ/dp