



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-3412

ConocoPhillips Company
P.O. Box 2197
WL3 6108
Houston, TX 77252-2197

Attention: Deborah Marberry

*STATE COM K #007A
API No. 30-045-21702
Unit P, Section 32, Township 31N, Range 08W, NMPM,
SAN JUAN County, New Mexico
BLANCO-MESAVERDE (PRORATED GAS) (72319), and
BASIN FRUITLAND COAL (GAS) (71629) Pools*

Dear Ms. Marberry:

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.

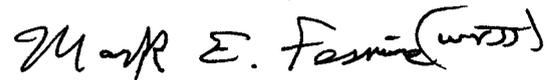
Mesaverde production decline is established by prior production trends and these trends shall be assumed to continue. The total well production minus this established production from the Mesaverde shall be assigned to the Fruitland Coal pool.

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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 2, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec
State Land Office – Oil, Gas, and Minerals Division