



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-3417

BP America Production Company
P.O. Box 3092
Houston, TX 77253

Attention: Mary Corley

*HUGHES C #001A
API No. 30-045-23150
Unit P, Section 33, Township 29N, Range 08W, NMPM,
SAN JUAN County, New Mexico
BLANCO-MESAVERDE (PRORATED GAS) (72319),
BLANCO PICTURED CLIFFS (GAS) (72359), and
WILDCAT;CHACRA (G) Pools*

Dear Ms. Corley:

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.

Allocation of production from the well shall be done using the subtraction method. The remaining production shall be allocated to the Chacra after subtracting the projected production for the Mesaverde and Pictured Cliffs formations.

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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 18, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" with a circled date "3/18/05" to the right.

MARK E. FESMIRE, P.E.
Director

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