

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505

**OIL CONSERVATION DIVISION**



**ADMINISTRATIVE ORDER DHC-1095**

Merit Energy Company  
12222 Merit Drive, Suite 1500  
Dallas, Texas 75251

Attention: Terry D. Gottberg

*Authorization to downhole commingle Basin Dakota Pool  
and Blanco Mesaverde Pool production.*

Dear Mr. Gottberg:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit downhole commingling in the wellbore, the production of the above mentioned pools in the following described wells:

<i>Well Name</i>	<i>Number</i>	<i>Unit Letter</i>	<i>Section</i>
Jicarilla "A"	8	E	23
Jicarilla "A"	9	C	14
Jicarilla "A"	10E	G	23
Jicarilla "A"	13E	N	13
Jicarilla "A"	22Y	K	24
Jicarilla "B"	8A	D	25

All wells located in Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

It appearing that the subject wells qualify 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject wells shall not exceed 30 barrels per day, and total water production shall not exceed 60 barrels per day.

**VILLAGRA BUILDING - 408 Galisteo**  
Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**  
Office of the Secretary  
827-5950  
Administrative Services  
827-5925  
Energy Conservation & Management  
827-5900  
Mining and Minerals  
827-5970  
Oil Conservation  
827-7131

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The maximum amount of gas which may be produced daily from the wells shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

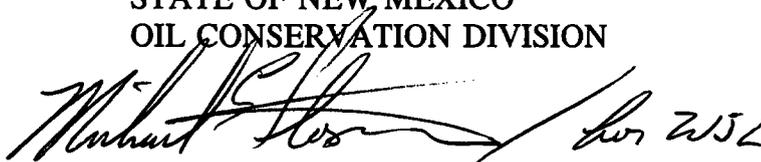
In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject wells following their completion.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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

Approved at Santa Fe, New Mexico on this 21st day of February, 1995.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Aztec