



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-3507

Burlington Resources Oil & Gas Company, LP
P.O. Box 4289
Farmington, NM 87499

Attention: Ken Collins

*Huerfanito Unit #175
API No. 30-045-33063
Unit O, Section 26, Township 27N, Range 9W, NMPM,
SAN JUAN County, New Mexico
Undesignated Ballard-Pictured Cliffs Gas (71439), and
Wildcat-FRUITLAND SAND (GAS), and
BASIN FRUITLAND COAL (GAS) (71629) Pools*

Dear Mr. Collins:

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.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

<i>Wildcat-Fruitland Sand Gas Pool</i>	<i>Oil-NA%</i>	<i>Gas-10%</i>
<i>Ballard-Pictured Cliffs Gas Pool</i>	<i>Oil-NA%^</i>	<i>Gas-50%</i>

BASIN FRUITLAND COAL GAS Pool	Oil-NA%	Gas-40%
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These percentages shall not be changed without justification such as further testing and reserves analysis and without first supplying this justification to the Santa Fe office of the Division. Notice of any change in percentage allocation between pools shall be supplied in writing to all revenue interest owners of each commingled pool within the wellbore.

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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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