



STATE OF NEW MEXICO  
 ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION  
 AZTEC DISTRICT OFFICE

'94 JAN 3 AM 10 08

1000 RIO BRAZOS ROAD  
 AZTEC, NEW MEXICO 87410  
 (505) 334-6178

Date: 12-30-93

*Attn: Mike Stegner*

Oil Conservation Division  
 P.O. Box 2088  
 Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
 Proposed NSL   X   \_\_\_\_\_  
 Proposed WFX \_\_\_\_\_  
 Proposed NSP \_\_\_\_\_

Proposed DHC \_\_\_\_\_  
 Proposed SWD \_\_\_\_\_  
 Proposed PMX \_\_\_\_\_  
 Proposed DD \_\_\_\_\_

Gentlemen:

I have examined the application received on 12-23-93  
 for the Mexican Oil Inc. Huerfano Unit #258  
 OPERATOR LEASE & WELL NO.

P-36-27N-10W and my recommendations are as follows:  
 UL-S-T-R

Approve  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Yours truly,

Gene Brock

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**ADMINISTRATIVE ORDER DHC-974**

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: P.M. Pippen

*Huerfano Unit Well No. 258  
Unit P, Section 36, Township 27 North, Range 10 West, NMPM,  
San Juan County, New Mexico.  
Basin-Fruitland Coal Gas and Fulcher Kutz-Pictured Cliffs Gas Pools*

Dear Mr. Pippen:

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 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 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 well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well 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 well following its completion.

*Administrative Order DHC-974*  
*Meridian Oil, Inc.*  
*January 28, 1994*  
*Page 2*

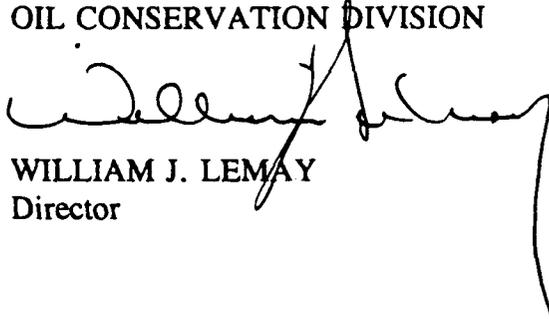
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FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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 28th day of January, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/DRC/amg

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

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/08/94 11:04:20  
OGOMES -EMCA  
PAGE NO: 1

Sec : 36 Twp : 27N Rng : 10W Section Type : NORMAL

D 40.00  Federal owned	C 40.00  Federal owned	B 40.00  Federal owned	1 35.10  Federal owned A
E 40.00  Federal owned A	F 40.00  Federal owned A	G 40.00  Federal owned	2 35.07  Federal owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/08/94 11:05:14  
OGOMES -EMCA  
PAGE NO: 2

Sec : 36 Twp : 27N Rng : 10W Section Type : NORMAL

L 40.00  Federal owned	K 40.00  Federal owned  A	J 40.00  Federal owned	3 35.03  Federal owned
M 40.00  Federal owned	N 40.00  Federal owned	O 40.00  Federal owned  A	4 35.00  Federal owned  A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

			<p>Meridian Oil, Inc. Huerfano Unit 213E 946' FS - 710' FEL Spud - 11/24/81 T.D. - 6922 Basin Dakota Pool Producing</p>	<p>① 35.10</p>
			<p>Meridian Oil, Inc. Huerfano Unit No. 257 1846' FS + WL • Spud - 4/17/74 T.D. - 6183 <del>Angel Peak Gas</del> Basin Fruitland Coal Co. Producing w/2 dedication</p>	<p>② 35.07</p>
			<p>Meridian Oil, Inc. Huerfano Unit No. 213 800' FS - 1750' FEL Spud - 4/21/71 T.D. - 69316 Basin Dakota Pool Producing</p>	<p>③ 35.03</p>
			<p>Meridian Oil, Inc. Huerfano Unit No. 258 910' FS + EL Spud - 3/26/74 T.D. - 6153 Angel Peak Gas SUBJECT WELL</p>	<p>④ 35.00</p>

Initial Gas - Changed to 0.1

35.10  
35.07  
70.17  
35.03  
105.20  
35.00  
140.20  
16  
300.20