



New Mexico Energy, Minerals and Natural Resources Department

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Division Director  
Oil Conservation Division



May 4, 2011

**Administrative Order DHC-4371**  
**Application Reference Number: pTGW1112356045**

Mr. Adam G. Rankin  
Holland & Hart, LLP  
110 N. Guadalupe, Suite 1  
Santa Fe, NM 87501

**Re: Williams Production Company, LLC**  
**Schalk 32 Well No. 1A**  
**API No. 30-038-30915**

**Pool: Wildcat Kirtland (Gas)**  
**Basin Fruitland Coal Gas (71629)**

Dear Mr. Rankin:

Reference is made to your application, on behalf of Williams Production Company, LLC, for an exception to Division Rule 12.9A [19.15.12.9.A NMAC] to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11.A [19.15.12.11.A NMAC], and that reservoir damage or waste will not result from such down hole commingling, and correlative rights will not be violated. Accordingly, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11.A(6) [19.15.12.11.A(6) NMAC], the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

Wildcat Kirtland Pool	Pct Gas: 0.1%	Pct Oil: 0%
Basin Fruitland Coal Gas Pool	Pct Gas: 99.9%	Pct Oil: 0%

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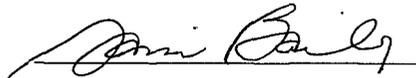
It is our understanding that the above allocation percentages are based on log analysis of other wells in close proximity to this location.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

**This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.**

The operator shall notify the Division's Aztec district office upon implementation of commingling operations.

Pursuant to Rule 12.11.B [19.15.12.11.B NMAC], the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



Jami Bailey  
Director

JB/db

cc: Oil Conservation Division – Aztec  
United States Bureau of Land Management