### **DEVIATION REPORT**

_			
Name of Company		Address	
Burlington Resources Oil & Gas Company	P. O. Box 4289, Farmington, NM 8		
Lease Name and Number	Unit Letter	Sec. Twn. Rge.	
ALLISON UNIT #38M	1,170 FNL 820 FEL	A 17 032N 006W	
Pool and Formation		County	
Blanco Mesaverde/Basin Dakota		SAN JUAN	

Depth (Ft.)	<b>Deviation (Degrees)</b>	
0	.00	
255	.50	
757	.25	
1,253	1.25	
1,753	1.50	
2,250	.50	
2,745	1.00	
3,248	.75	
3,741	1.00	
4,242	1.00	
4,744	3.75	\
4,999	4.75	
5,093	5.50	
5,186	4.25	
5,282	4.25	
5,405	3.25	** * * * * * * * * * * * * * * * * * *
5,497	5.00	
5,593	4.25	
5,720	4.25	mesennes !
5,822	5.00	DECEINED :
5,914	4.50	
6,033	4.25	M DEC - 4 1997
6,156	4.00	1 1001
6,280	4.00	our com our
6,534	4.00	OIL COM. DIV.
6,782	4.00	Diet. 3
7,282	2.50	
7,536	2.25	
7,879	3.00	
8,129	3.00	

I, the undersigned, certify that I, acting in my capacity as Petroleum Engineer for BURLINGTON RESOURCES OIL AND GAS CO., am authorized by said Company to make this report; and that this report was prepared under my supervision and directions, and that the facts stated herein are true to the best of my knowledge and belief.

Subscribed and sworn to before me this 10th day of November, 1997

Notary Public in and for San Juan County, New Mexico

My commission expires August 17, 2000

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-104 Revised 2-21-94 Instruction on back Submit to Appropriate District Office 5 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

### **OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

. Operator Name and A						OGRID Numb		
Burlington PO Box 42	Resources Oil	& Gas Co	mpany			14538		
	o9 1, New Mexico	87499			DHC-1723	New Well		
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	om Hole Loc			1170	Troidi	1 620	Last	Sati Juan
	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	<u> </u>	ŭ						
. Ise Code 13. Producing !	Method Code	14. Gas Conn	ection Date	15. C-129 Permit No	umber	16. C-129 Effective	Date	17. C-129 Expiration d
Flowing						<u> </u>		L
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Transporter 19. Transport				20. POD	21. O/G		22. POD ULSTR L	
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Giant Indus	stries							
25244			28	20210	G			
Williams F	ield Services				,		DO FOR	
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V. Produced Water		<u> </u>			,	*T.O.		
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23. POD  2 8 2 1 2 1 1  7. Well Completion  25. Spud Date	26. Ready Da	ate	27. TD		IR Location and De	scription	29. Perforation	
23. POD  2 8 2 1 2 1 1  7. Well Completion  25. Spud Date 10/18/97	26. Ready Da 11/8/97		27. TD 8129		28. PBTD	scription	9 (1994). 1902: R	
23. POD  2 8 2 1 2 1 1  7. Well Completion  25. Spud Date 10/18/97	26. Ready Da 11/8/97		8129 Tubing Size			scription	29. Perforation: 5080-5850 33. Sacks Cement	
23. POD 2 8 2 1 2 1 1  . Well Completion 25. Spud Date 10/18/97 . Hole Size	26. Ready Da 11/8/97	31. Casing &	8129 Tubing Size		28. PBTD 32. Depth Set	scription	29. Perforation: 5080-5850	
23. POD 2 8 2 1 2 1 1  . Well Completion 25. Spud Date 10/18/97 . Hole Size 12 1/4	26. Ready Da 11/8/97	31. Casing & 9 5/8 7 4 1/2	8129 Tubing Size		28. PBTD  32. Depth Set  24  353  3357-8125	scription  8	29. Perforation: 5080-5850 33. Sacks Cement 196 cu.ft.	
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Title

Date

Printed Name

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-104
Revised 2-21-94
Instruction on back
Submit to Appropriate District Office
5 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88210 OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III 1000 Rio Brazo	os Rd., Aztec, l	NM 87410							
			LOWAE	LE AND	AUTHORIZ	ATION TO TR	ANSPORT		
-	lame and A						OGRID Numb		
	Burlington PO Box 428	Resources Oil	& Gas Co	mpany			14538	*****	······································
		, New Mexico	87499			DHC-1723	New Well		
API Numb						•		6. Pool Code	
0-045-29484				Basin Dake		<del></del> .		71599	
Property Code 6784	•			8. Property N Allison Un				9. Well Number 38M	ļ
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or lot no.		Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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		m Hole Loc	cation						
or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
ise Code	13. Producing N	fethod Code	14. Gas Conn	ection Date	15. C-129 Permit Nu	ımber	16. C-129 Effective	Date	17. C-129 Expiration da
	Flowing								
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. Hole Size		· ·	31. Casing &			32. Depth Set		33. Sacks Cement	T
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8 3/4			7			353	34	928 cu.ft.	
6 1/4			4 1/2		<del></del>	3357-8125	10	680 cu.ft.	
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Date New			T		36. Test Date	37. Test Length	38. Tbg. Pressu	re	39. Csg. Pressure
. Daw New	Oli				11/8/97	1	SI 1449		SI 1400
. Choke Size	·		41. Oil		42. Water	43. Gas	44. AOF		45. Test Method
					ļ	137	75		Flowing
		· · · · · · · · · · · · · · · · · · ·	<u>t                                      </u>		<u> </u>	Y		<u> </u>	
46. I hereb	y certify that the	e rules and regula	tions of the O	il Conservation	Division	1 0	IL CONSER	VATION DIX	ISION
	•	nd that the inform	nation given ab	ove is true and	complete		- 0		151011
to the best	of my knowledg	ge and belief.				Approved by: (	Jahrense	Rolum	40
		$\supset$					The opening		
gnature	/_	8100	/			Title:	RELATION	STAN, HELDE	
	gy x	WAR.	Luisa			Approval Date:	DEC -	4 1771	
rinted Name eggy Bradfi					PUD	Approvai Date:			
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egulatory A	Administrat	tor				]			
		lm t	T (606) =	a.c. 0500					
11/19/97		Telephone N			ber and name of				

Title

Date

Printed Name

#### **DISTRICT I**

P.O. Box 1980, Hobbs, NM 88241-1980

**DISTRICT II** 

811 South First St., Artesia, NM 88210-2835

**DISTRICT III** 

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico Energy, Minerals and Natural Resources Department

### **OIL CONSERVATION DIVISION**

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

Form C-107-A

**APPROVAL PROCESS:** 

\_X\_ Administrative \_\_\_Hearing

YES	<u>x</u> N0

PO Box 4289, Farmington, NM 87499 **Burlington Resources Oil & Gas Company** Address Operator A 17-32N-6W San Juan **ALLISON UNIT** 38M County Unit Ltr. - Sec - Twp - Rge Well No. Spacing Unit Lease Types: (check 1 or more) API NO. \_30-045- 29484 , (and/or) Fee \_Federal \_ \_X\_\_ , State \_ OGRID NO. \_\_14538\_ Property Code \_\_\_6785\_ The following facts are submitted: in support of downhole commingling: intermediate : Basin Dakota - 71599 Blanco Mesaverde - 72319 1. Pool Name and Pool Code will be supplied upon completion 2. Top and Bottom of Pay Section (Perforations) will be supplied upon completion gas 3. Type of production (Oil or Gas) flowing 4. Method of Production (Flowing or Artificial Lift) flowing OCI 2 1 1997 (Current) a. 749 psi (see attachment) 5. Bottomhole Pressure a. 1112 psi (see attachment) COM. DIV. Oil Zones - Artificial Lift: Estimated Current <del>Exist. 3</del> Gas & Oil - Flowing: (Original) b. 1356 psi (see attachment) b. 2906 psi (see attachment) Measured Current All Gas Zones: Estimated or Measured Original 6. Oil Gravity (°API) or Gas BTU Content **BTU 958 BTU 998** shut-in 7. Producing or Shut-In? shut-in Production Marginal? (yes or no) no Date: n/a \* If Shut-In and oil/gas/water rates of last production Date: n/a Date: Rates: Rates: Rates: Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data Date: n/a \* If Producing, give data and oil/gas/water water of recent test (within 60 days) Date: n/a Date: Rates: Rates:

Rates:

District 6 PO Box 1988, Hobbs, NM \$8241-1988 District II PO Drawer OD. Artems. NM 88211-0719 District III 1000 Rio Brazes Rd., Aziec, NM 87410 District (V

# State of New Mexico Energy, Minerals & Natures Resources Department

# OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

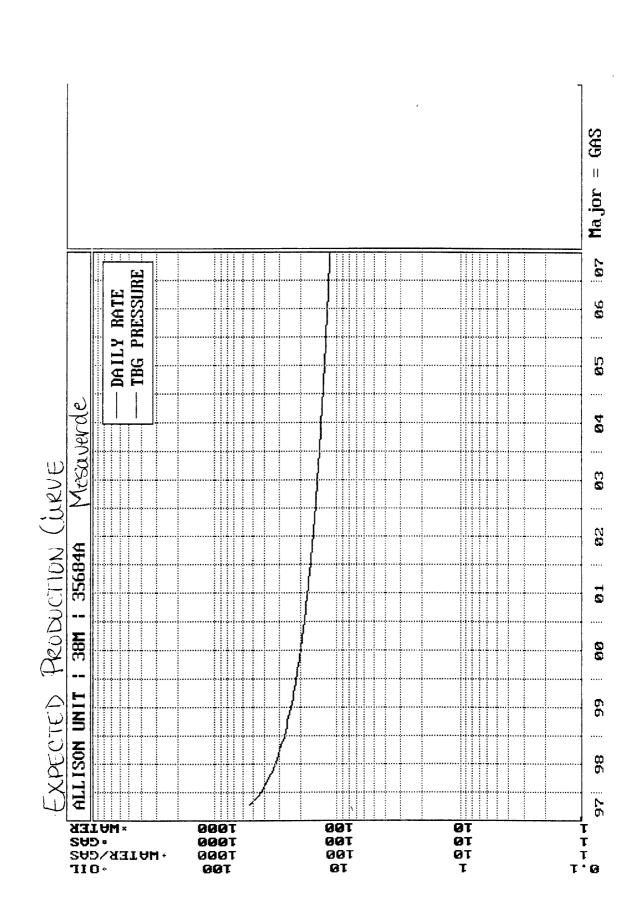
Form C-1 Revised February 21, 19

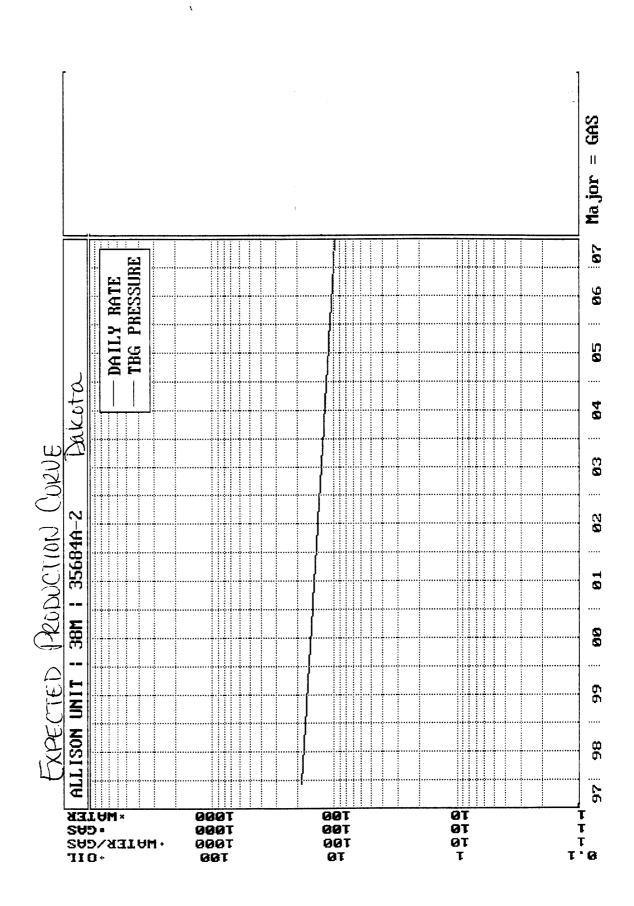
Instructions on ba Submit to Appropriate District Off

State Lease - 4 Cop Fee Lease - 3 Cop

riet IV Box 2088, Santa Fe, NA	1 27504-2088							AME	NDED REI
	WEI	L LOCA	ATION AND	ACREAGE D	EDICAT	TON PL	AT		
API Num	Def	1	Pool Code			' Poel Na			
0-045-		72319	-71599	Blanco Mes	saverde	/Basin	Dako	ta	
* Property Code			, 8	reporty Nume				•	Well Number
784	İ		A11	ison Unit					38M
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14538	<u>.l</u>		10 Su	rface Location					
L or lot me.   Section	Township	Range L	ot ida Fest free		ine Fee	from the	East/Wes	t line	County
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Loriot se.   Section	Townsip		ot ida Fest from			t from the	East/Wes	t tipe	County
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4 4						Date of Surv	6 / 1	8/97	

5360.52



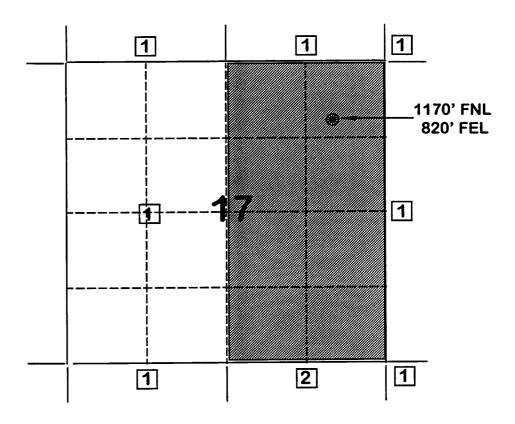


### **BURLINGTON RESOURCES OIL AND GAS COMPANY**

# Allison Unit #38M OFFSET OPERATOR \ OWNER PLAT

### Mesaverde/Dakota Formations Commingle Well

Township 32 North, Range 6 West



- 1) Burlington Resources Oil and Gas Company
- 2) Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500

Page No.: 2

Print Time: Wed Sep 10 15:26:07 1997

Property Name: ALLISON UNIT | 27 | 52925B-1 AMSLING UNIT # 32111
Table Name: K:\ARIES\MESA\TEST.DBF Mcf.....Psi

09/20/65	0	1190.0	Jyi rial
09/27/65	424119	0.0	•
10/15/70	478955	753.0	
08/31/71	555204	692.0	
06/22/72	643058	546.0	
07/03/73	737358	560.0	
05/03/74	812126	514.0	
06/01/76	984099	477.0	
08/02/78	1149129	550.0	
06/04/80	1264815	588.0	
05/03/82	1373803	632.0	
05/17/84	1445681	722.0	
03/17/86	1504946	726.0	
05/23/89	1642590	676.0	
07/14/91	1716572	661.0	· · · · · · · · · · · · · · · ·
05/04/93	1783853	662.0 <del>-</del> /	current

Page No.: 2

Print Time: Fri Aug 15 14:27:55 1997

Property ID: 13

Property Name: ALLISON UNIT | 13 | 53296B-1 Table Name: K:\ARIES\RR98PDP\TEST.DBF

Allison Unit # 32m Dakuta Lanset

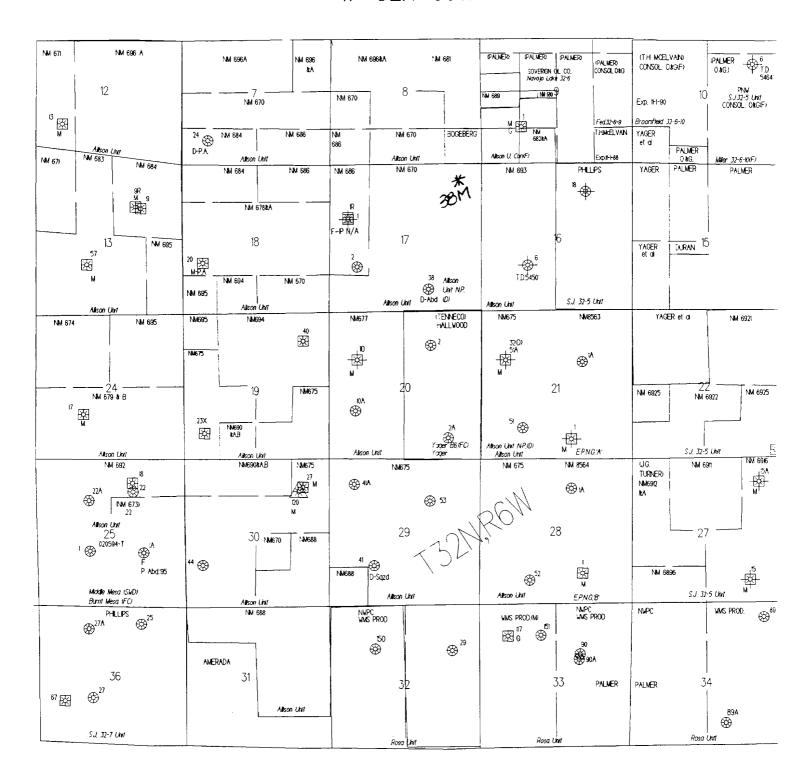
DATE	CUM_GAS	M SIWHP
03/31/58	0	2428.0-original
07/29/59	80000	1732.0
07/29/60	165000	1678.0
07/28/61	225000	1617.0
09/09/62	281000	1540.0
05/06/63	323000	1413.0
04/22/64	374000	1357.0
05/03/65	417000	1493.0
02/23/66	448000	1474.0
03/06/67	488000	1439.0
03/08/68	536000	1216.0
06/02/70	641967	956.0
08/10/72	709249	1173.0
04/29/75	853176	862.0
08/08/77	955904	
08/07/79	1030920	
05/15/81	1076326	
05/02/85	1129312	939.0—current

### Allison Unit #38M

Bottom Hole Pressures Flowing and Static BHP Cullender and Smith Method Version 1.0 3/13/94

Mesaverde	Dakota <u>DK-Current</u>			
<u>MV-Current</u>				
GAS GRAVITY 0.589  COND. OR MISC. (C/M) C  %N2 0.14  %CO2 1.93  %H2S 0  DIAMETER (IN) 1.25  DEPTH (FT) 5682  SURFACE TEMPERATURE (DEG F) 60  BOTTOMHOLE TEMPERATURE (DEG F) 137  FLOWRATE (MCFPD) 0  SURFACE PRESSURE (PSIA) 662  BOTTOMHOLE PRESSURE (PSIA) 748.5	GAS GRAVITY COND. OR MISC. (C/M)  %N2  0.06  %CO2  4.12  %H2S  DIAMETER (IN)  DEPTH (FT)  SURFACE TEMPERATURE (DEG F)  BOTTOMHOLE TEMPERATURE (DEG F)  FLOWRATE (MCFPD)  SURFACE PRESSURE (PSIA)  BOTTOMHOLE PRESSURE (PSIA)  1112.0			
MV-Original	<u>DK-Original</u>			
GAS GRAVITY COND. OR MISC. (C/M)  %N2  %CO2  %H2S  DIAMETER (IN)  DEPTH (FT)  SURFACE TEMPERATURE (DEG F)  BOTTOMHOLE TEMPERATURE (DEG F)  SURFACE PRESSURE (PSIA)  BOTTOMHOLE PRESSURE (PSIA)  0.589  C  C  D.14  1.93  0  1.25  60  60  80  80  80  80  80  80  80  80	GAS GRAVITY COND. OR MISC. (C/M)  %N2 0.06 %CO2 4.12 %H2S 0 DIAMETER (IN) DEPTH (FT) SURFACE TEMPERATURE (DEG F) BOTTOMHOLE TEMPERATURE (DEG F) FLOWRATE (MCFPD) SURFACE PRESSURE (PSIA)  80556  0 1.25 60 8077 198 60 8077 2428			

## Allison Unit #38M Mesaverde / Dakota 17—32N—06W



### STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 10743 Order No. R-9918

APPLICATION OF MERIDIAN OIL INC. FOR DOWNHOLE COMMINGLING AND FOR AN ADMINISTRATIVE DOWNHOLE COMMINGLING PROCEDURE WITHIN THE ALLISON UNIT AREA, SAN JUAN COUNTY, NEW MEXICO.

### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of July, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

### FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Meridian Oil Inc., seeks approval to commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Unit Well No. 9R located 1720 feet from the North line and 1655 feet from the East line (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.
- (3) The applicant further seeks the adoption of an administrative procedure for authorizing the downhole commingling of Blanco-Mesaverde and Basin-Dakota Pooproduction within certain existing and subsequently drilled wells in its Allison Unit Area. San Juan County, New Mexico, without additional notice to each affected interest owner within the Unit Area.

- (4) The Allison Unit Well No. 9R is to be drilled as a replacement well for the Allison Unit Well No. 9 which is located 1765 feet from the North line and 1500 feet from the East line (Unit G) of Section 13 and which is currently completed in and producing from the Basin-Dakota Pool.
- (5) The Allison Unit Well No. 9 was drilled in 1955 and has cumulatively recovered some 4.4 BCF of gas from the Basin-Dakota Pool.
- (6) Due to the age and mechanical condition of the Allison Unit Well No. 9, the applicant has estimated that it will not recover some 1.7 BCF of gas in the Basin-Dakota Pool underlying the E/2 of Section 13.
- (7) Applicant's testimony indicates that due to economics, the Allison Unit Well No. 9R cannot be drilled solely to recover gas reserves in the Basin-Dakota Pool.
- (8) The applicant expects to encounter marginal production only from the Blanco-Mesaverde Pool.
- (9) The proposed downhole commingling is necessary in order for the applicant to economically recover Basin-Dakota and Blanco-Mesaverde Pool reserves underlying the E/2 of Section 13.
- (10) The Allison Unit is a Federal exploratory unit initially comprising some 11,705 acres in New Mexico and some 2,069 acres in Colorado. Within New Mexico, the unit comprises portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County. The unit was formed in 1950 and is currently operated by Meridian Oil Inc.
- (11) The evidence and testimony presented indicates that the Basin-Dakota and Blanco-Mesaverde Pools have both been substantially developed within the Allison Unit.
- (12) The applicant has identified numerous Mesaverde and Dakota well locations within the Allison Unit which by virtue of marginal gas reserves and resulting poor economics cannot be economically drilled and produced as stand alone units.
- (13) The current well economics and projected Dakota and Mcsaverde gas reserves underlying these respective tracts virtually assure that these wells must be downhole commingled in order to meet the economic criteria for drilling.
- (14) The applicant expects initial producing rates from both the Mesaverde and Dakota formations to be fairly marginal in nature.

- (15) The applicant further demonstrated through its evidence and testimony that within the wells it proposes or will propose to commingle within the Unit Area:
  - a) there will be no crossflow between the two commingled pools;
  - b) neither commingled zone exposes the other to damage by produced liquids;
  - c) the fluids from each zone are compatible with the other;
  - d) the bottomhole pressure of the lower pressure zone should not be less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum; and,
  - e) the value of the commingled production is not less than the sum of the values of the individual production.
- (16) The Dakota and Mesaverde Participating Areas within the Allison Unit are not common.
- (17) By virtue of different Participating Areas, the interest ownership between the Dakota and Mesaverde formations within any given wellbore is not common.
- (18) Applicant's Exhibit No. 2 in this case is a list of three hundred and fifty four (354) interest owners in the Dakota and Mesaverde Participating Areas within the Allison Unit. All such interest owners were notified of the application in this case.
- (19) Rule No. 303(C) of the Division Rules and Regulations provides that administrative approval for downhole commingling may be granted provided that the interest ownership, including working, royalty and overriding royalty interest, is common among the commingled zones.
- (20) Applicant's proposed administrative procedure would provide for Divisior approval to downhole commingle wells in the Allison Unit Area without hearing, and without the requirement that each interest owner in the Dakota and Mesaverde Participating Areas be notified of such commingling.
- (21) The downhole commingling of wells within the Allison Unit Area will benefit working, royalty and overriding royalty interest owners. In addition, the downhole commingling of wells within the Allison Unit Area should not violate the correlative rights of any interest owner.

- (22) evidence in this case indicates that. to each interest owner within the Dakota an Assaverde Participating Areas of sub-quent downhole comminglings within the Allison Unit is unnecessary and is an excessive burden on the applicant.
- (23) No interest owner and/or offset operator appeared at the hearing in opposition to the application.
- (24) An administrative procedure should be established within the Allison Unit for obtaining approval for subsequently downhole commingled wells without notice to Unit interest owners and hearing, provided however that, all provisions contained within Rule No. 303(C) of the Division Rules and Regulations, with the exception of Part 1 (b)(v), are fully complied with.
- (25) The proposed administrative procedure for obtaining approval for downhole commingling will allow the applicant the opportunity to recover additional gas reserves from the Allison Unit Area which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.
- (26) In the interest of prevention of waste and protection of correlative rights, the proposed downhole commingling within the Allison Unit Well No. 9R should be approved.
- (27) The applicant should consult with the supervisor of the Aztec District Office of the Division subsequent to the completion of the subject well in order to determine a proper allocation of production.
- (28) The operator should immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

### IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Meridian Oil Inc., is hereby authorized to commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Unit Well No. 9R located 1720 feet from the North line and 1655 feet from the East line (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.
- (2) The applicant shall consult with the supervisor of the Aztec district office of the Division subsequent to the completion of the subject well in order to determine a proper allocation of production.

- (3) The operator shall immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.
- (4) An administrative procedure for obtaining approval to downhole commingle wells within the Allison Unit, located in portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County, New Mexico, is hereby established.
- (5) In order to obtain Division authorization to downhole commingle wells within the Allison Unit, the applicant shall file an application with the Santa Fe and Aztec Offices of the Division. Such application shall contain all of the information required under Rule No. 303(C) of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the Dakota and Mesaverde Participating Areas in the Allison Unit of such proposed commingling. In addition, the application shall contain evidence that all offset operators and the United States Bureau of Land Management (BLM) have been notified of the proposed commingling.
- (6) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL