



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3286

BP America Production Company

P.O. Box 3092

Houston, TX 77253

Attention: Mary Corley

Florance C LS Well No. 3

API No. 30-045-07263

Unit K, Section 19, Township 28 North, Range 8 West, NMPM,

San Juan County, New Mexico

South Blanco-Pictured Cliffs (Prorated Gas - 72439),

Undesignated Otero-Chacra (Gas - 82329), and

Blanco-Mesaverde (Prorated Gas - 72319) Pools

Dear Ms. Corley:

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 allocated production from any prorated pool in the commingled wellbore shall not exceed the applicable allowable.

Fixed allocation percentages for production shall be supplied to the Division in writing within 60 days following completion of the workover.

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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the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 this 1st day of June 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Will Jones for Mark Fesmire".

MARK E. FESMIRE, P.E.
Director

MEF/wvj

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