

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-3335

Burlington Resources Oil & Gas Company, LP PO Box 4289 Farmington, NM 87499

Attention: Nancy Oltmanns

Angel Peak Well No 29 API No. 30-045-25698 Unit I, Section 10, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico Otero-Chacra (Gas 82329), and Armenta-Gallup (Oil 2290) Pools

Dear Ms. Oltmanns:

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. Any change in these allocation percentages shall be immediately copied in writing to all interest owners in these two pools within this wellbore under cover letter and with opportunity for protest. The Division office in Santa Fe shall also be notified in writing.

Undesignated Otero-Chacra Gas Pool	Oil-0%	Gas-76%
Armenta-Gallup Oil Pool	Oil-100%	Gas-24%

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.emnrd.state.nm.us</u> 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 3rd day of September 2004.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E. Director

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