



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-3354

ConocoPhillips Company
PO Box 2197
WL3 6108
Houston, TX 77252

Attention: Deborah Marberry

*Primo Well No. 1B
API No. 30-045-29374
Unit F, Section 6, Township 31 North, Range 10 West, NMPM,
San Juan County, New Mexico
Blanco-Mesaverde Prorated Gas (72319), and
Basin-Fruitland Coal Gas (71629) Pools*

Dear Ms. Marberry:

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.

Allowable and production for the Basin-Fruitland Coal shall be determined by subtraction of the projected Blanco-Mesaverde production from the total well production. The operator shall obtain approval from the Division prior to any change in this method of allocation.

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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 14th day of October 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec