



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-1185-A

Burlington Resources Oil & Gas Company
PO Box 4289
Farmington, New Mexico 87499

Attention: Peggy Cole

*Navajo Indian "B" Well No. 5
API No. 30-045-06223
Unit L, Section 30, Township 27 North, Range 8 West, NMPM,
San Juan County, New Mexico
Undesignated Otero-Chacra (Gas - 82329),
Blanco-Mesaverde (Prorated Gas - 72319), and
Basin-Dakota (Prorated Gas - 71599)*

Dear Ms. Cole:

Reference is made to your recent application for an amendment to Division Order No. DHC-1185 dated February 5, 1996, which order authorized the downhole commingling of Basin-Dakota and Blanco-Mesaverde Gas Pool production within the Navajo Indian "B" Well No. 5. It is our understanding that the Undesignated Otero-Chacra Pool will be added as a third commingled zone within the well.

It appearing that the subject well qualifies for approval for such amendment 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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), the maximum amount of gas that may be produced from the prorated gas pools shall be determined by Division Rules and Regulations, or by the gas allowable as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon

completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

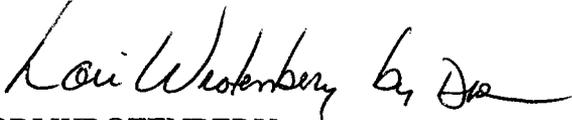
Failure to comply with the above-described production allocation requirements in a timely fashion will subject the well to shut-in status and other enforcement action as deemed necessary by the Division Director.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(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 9th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Division Director

LW/DRC

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