

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4686

Order Date: July 11, 2014

Application Reference Number: pEH1417158341

Four Star Oil and Gas Company
332 Road 3100
Aztec, NM 87410

Attention: April Pohl

Blanco Well No. 1A
API No. 30-045-30204
Unit O, Section 1, Township 27 North, Range 9 West, NMPM
San Juan County, New Mexico

Pool	BLANCO MESAVERDE (PRORATED GAS)	Gas	(72319)
Names:	BASIN FRUITLAND COAL	Gas	(71629)
	OTERO CHACRA	Gas	(82329)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Rule 19.15.12.11A. (6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the subject well shall be based on the analysis of the historical production from the Blanco Mesaverde and Otero Chacra formations. Basin Fruitland production is based on historical production from surrounding wells in the same pools.

Assignment of allowable and allocation of production from the well shall be as follows:

BLANCO MESAVERDE (PRORATED GAS)	Pct. Gas: 19	Pct. Oil: 24
BASIN FRUITLAND COAL	Pct. Gas: 32	Pct. Oil: 0
OTERO CHACRA	Pct. Gas: 49	Pct. Oil: 76

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

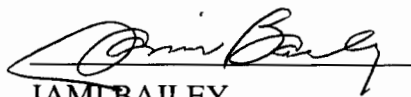
It is also understood that you have given due notice of this application, as defined in Division Rule 19.15.4.12A. (6) NMAC, to all owners of interest when ownership is not common for the commingled zones within the spacing unit.

REMARKS: The operator shall notify the Aztec District office prior to implementation of the commingling operations.

This order supersedes Division Order 2729AZ, issued on November 20, 2007.

This Order is subject to like approval from the United States Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

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