State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

John H. Bemis Cabinet Secretary

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



Administrative Order DHC-4526

Order Date: 4/9/2012

Application Reference Number: pTGW1207940852

BURLINGTON RESOURCES OIL & GAS COMPANY LP 3401 E. 30TH STREET, FARMINGTON, NM 87402

Attention: Arleen Kellywood

SAN JUAN 27 4 UNIT Well No. 056N

API No: 30-039-31105

Unit K, Section 21, Township 27 North, Range 4 West, NMPM

Rio Arriba County, New Mexico

Pool:

BASIN DAKOTA (PRORATED GAS)

Gas 71599

Names: BASII

BASIN MANCOS

Gas 97232

BLANCO-MESAVERDE (PRORATED GAS)

Gas 72319

Reference is made to your recent application for an exception to 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 appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, 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 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.

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.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

cc: Oil Conservation Division - Aztec

Bureau of Land Management - Farmington