



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-1061**

Central Resources, Inc.  
2600 Mellon Center  
1775 Sherman Street  
Denver, Colorado 80203-4313

Attention: Marty Proctor

*Candado No. 24  
Unit M, Section 9, Township 26 North, Range 7 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco-Mesaverde and Otero-Chacra Gas Pools*

Dear Mr. Proctor:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

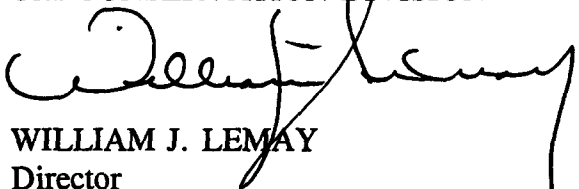
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Chacra Pool	Oil	0%	Gas	24%
Mesaverde Pool	Oil	100%	Gas	76%

Pursuant to Rule 303-C-5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 20th day of December, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/DC/kv

cc: Oil Conservation Division - Aztec