State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505



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ADMINISTRATIVE ORDER DHC-1062

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Attention: J. W. Hawkins

Jicarilla "146" Well No. 40 Unit N, Section 3, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Blanco-Mesaverde, South Blanco-Pictured Cliffs and Basin-Fruitland Coal Gas Pools

Dear Mr. Hawkins:

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.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

VILLAGRA BUILDING - 409 Galistee Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation 827-7131 Administrative Order DHC-1062 Amoco Production Company January 4, 1995 Page 2

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Approved at Santa Fe, New Mexico on this 4th day of January, 1995.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

MICHAEL E. STOGNER

Acting Director

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