



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**AMENDED ADMINISTRATIVE ORDER DHC-1282**

Meridian Oil Company  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

Attention: Ms. Peggy Bradfield

*San Juan 27-5 Unit Well No.163E  
Unit D, Section 18, Township 27 North, Range 5 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco Mesaverde (Gas - 72319) and  
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Bradfield:

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 multiple 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 subject zones is hereby placed in abeyance.

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.

**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 establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.**

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

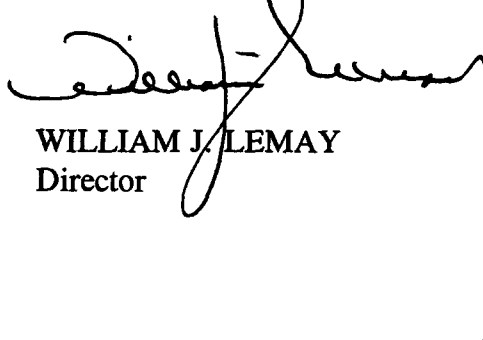
Pursuant to Rule 303.H., the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

*Amended Administrative Order DHC-1282*  
*Meridian Oil Company*  
*December 6, 1996*  
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Approved at Santa Fe, New Mexico on this 6th day of December, 1996.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

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