

DATE IN 5/28/97	SUSPENSE 6/17/97	ENGINEER BS/DC	LOGGED KN	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1577

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

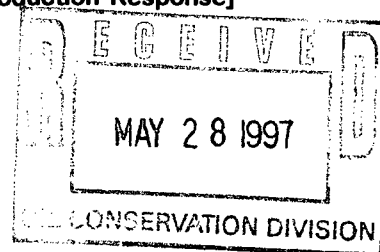
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Peggy Bradfield

Print or Type Name

Nancy Ottomano
Signature

for Regulatory/Compliance Administrator

Title

Date 5-27-97

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 27, 1997

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Allison Unit #17
1650'FSL, 1650'FWL Section 24, T-32-N, R-7-W, San Juan County, NM
API #30-45-11294

Dear Mr. LeMay:

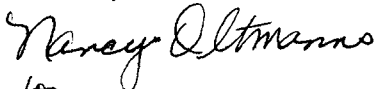
This is a request for administrative approval for downhole commingling the Blanco Mesaverde and Basin Dakota pools in the subject well.

To comply with the New Mexico Oil Conservation Division rules, Burlington is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Production curve for each zone for at least one year;
4. Notification list of offset operators - Burlington is operator of Allison Unit;
5. Notification list of working, overriding, and royalty interests is covered by Order R-9918.

Please let me know if you require additional data.

Sincerely,



for
Peggy Bradfield
Regulatory/Compliance Administrator

encs.

xc: Bureau of Land Management

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS :

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

ALLISON UNIT

17

K 24-32N-7W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 6784 API NO. 30-045-11294 Federal ☒ , State , (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	Will be supplied upon completion		7968' - 8103'
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure	(Current) a. 574 psi (see attachment)	a.	a. 786 psi (see attachment)
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Original) b. 1212 psi (see attachment)	b.	b. 3282 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 978		BTU 947
7. Producing or Shut-In?	producing		producing
Production Marginal? (yes or no)	no		yes
* If Shut-In and oil/gas/water rates of last production	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☒ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Gaye White TITLE Production Engineer DATE 5/27/97TYPE OR PRINT NAME Gaye White TELEPHONE NO. (505) 326-9700

Well Location and Acreage Dedication Plat

Section A.

Date JUNE 19, 1958

Operator EL PASO NATURAL GAS COMPANY Lease ALLISON UNIT FEE
 Well No. 17 (MD) Unit Letter K Section 24 Township 32-N Range 7-W NMPM
 Located 1650 Feet From SOUTH Line, 1650 Feet From WEST Line
 County SAN JUAN G. L. Elevation 61.99 Dedicated Acreage 320 & 320 Acres
 Name of Producing Formation MESA VERDE & DAKOTA Pool BLANCO MV, BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes _____ No X2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes", Type of Consolidation.Unit Agreement

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

JAN 11 1961

OIL CON. COM.
DIST. 3

Section B.

This is to certify that the information
 in Section A above is true and complete
 to the best of my knowledge and belief.

El Paso Natural Gas Company

(Operator)

Original Signed By: D.H. Oheim

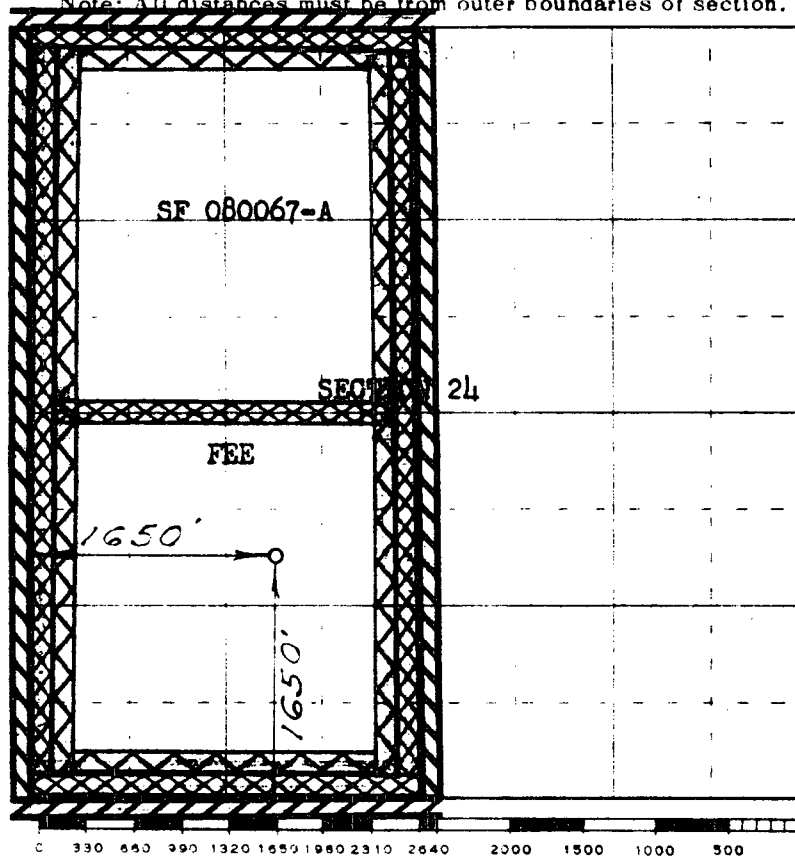
(Representative)

Box 990

(Address)

Farmington, New Mexico

Note: All distances must be from outer boundaries of section.



NOTE: THIS PLAT REISSUED TO SHOW
 CORRECTED DAKOTA DEDICATION.
 1-3-61

This is to certify that the above plat was prepared from field notes of actual surveys
 made by me or under my supervision and that the same are true and correct to the best
 of my knowledge and belief.

(Seal)

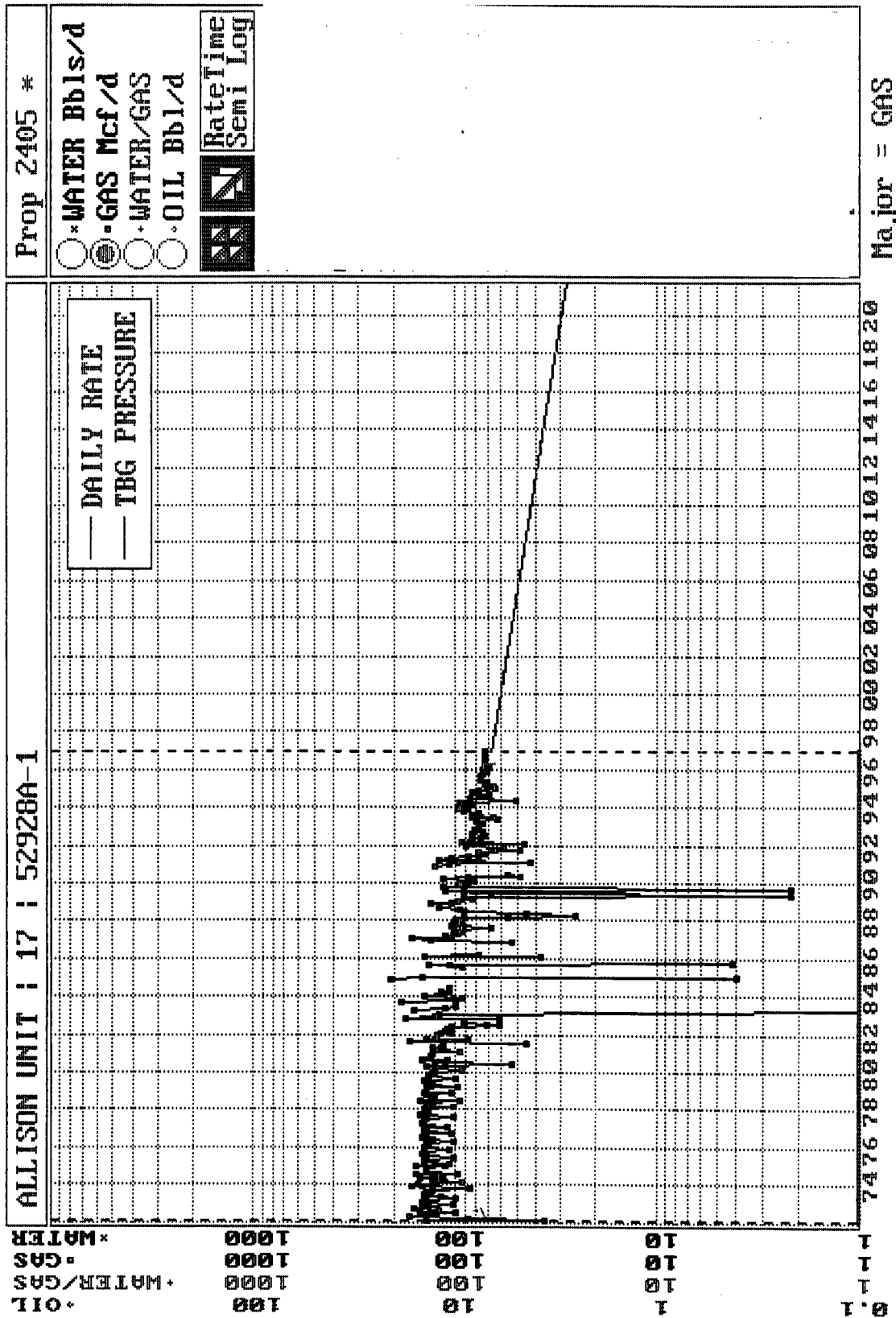
Date Surveyed JUNE 18, 1958

David O. Kilmer
 Registered Professional Engineer and/or Land Surveyor

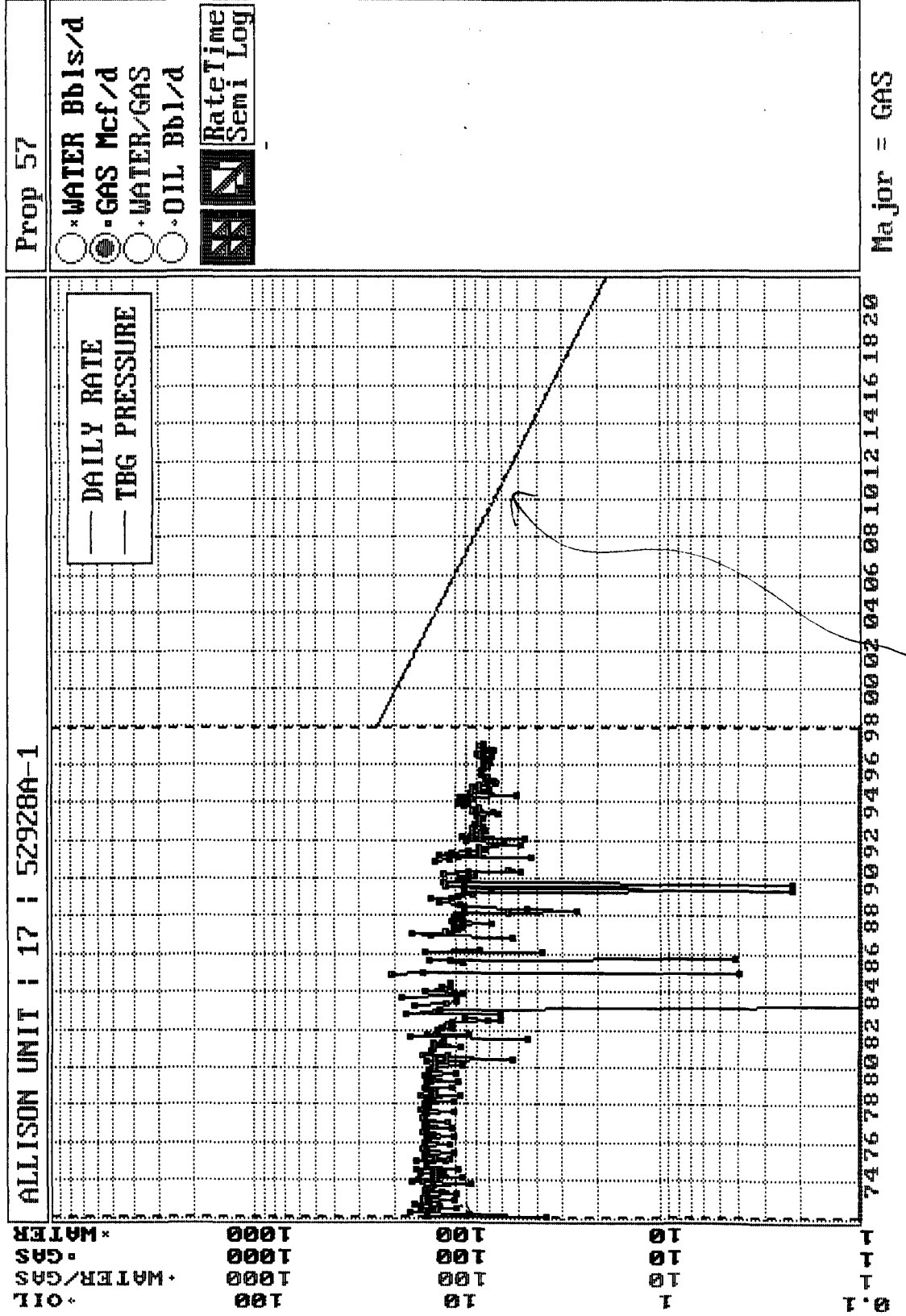
Farmington, New Mexico

[illegible]

MESAVERDE



- ESTIMATED - INCREMENTAL PRODUCTION FROM MV PAYEED



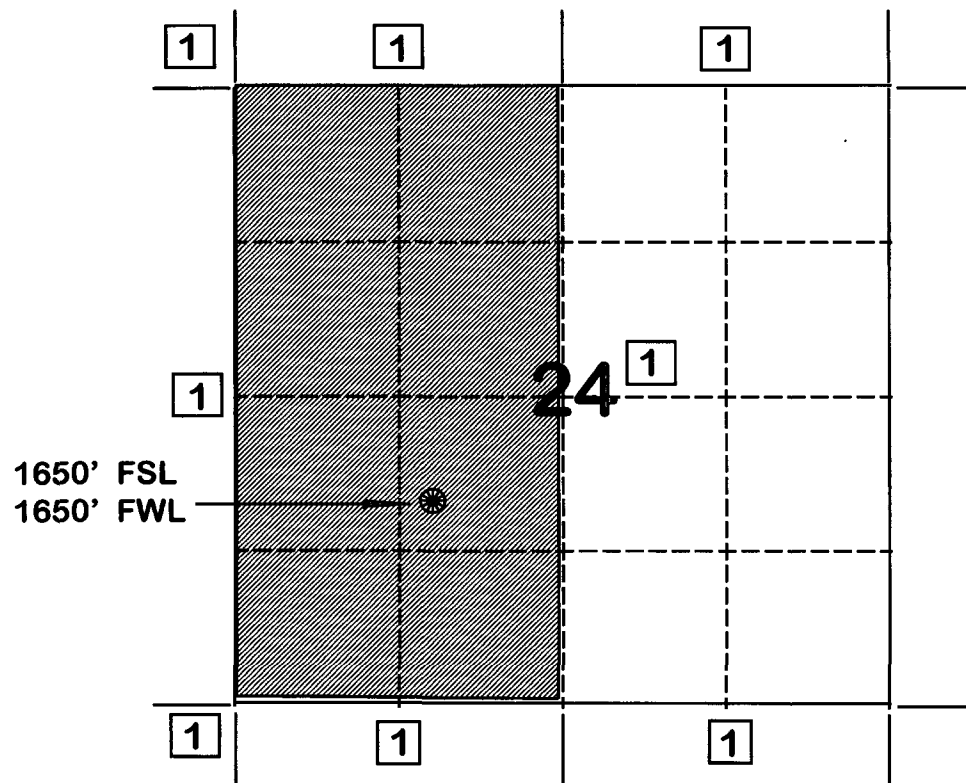
This is not the predicted total MV production profile - incremental only

BURLINGTON RESOURCES OIL AND GAS COMPANY

**Allison Unit #17
OFFSET OPERATOR \ OWNER PLAT**

Mesaverde/Dakota Formations Commingle Well

Township 32 North, Range 7 West



1) Burlington Resources Oil and Gas Company

DAKOTA

Property ID: 15

Table Name: K:\ARIES\RR97PDP\TEST.DBF

08/11/58	0	2762.0	← Original
07/29/59	90000	2067.0	
07/29/60	277000	1625.0	
07/28/61	396000	1548.0	
11/20/62	475000	1607.0	
05/06/63	516000	1532.0	
09/28/64	637000	1428.0	
10/18/65	762000	1405.0	
02/23/66	797000	1441.0	
03/06/67	910000	1339.0	
03/08/68	1020000	1275.0	
06/02/70	1226555	1207.0	
12/14/71	1337127	699.0	
08/10/72	1370622	1343.0	
06/18/73	1405276	563.0	
04/29/75	1487308	1252.0	
08/08/77	1597457	1152.0	
06/04/79	1660790	1212.0	
05/15/81	1733639	1163.0	
04/25/83	1774762	945.0	
05/02/85	1816382	824.0	
06/08/90	1907212	670.0	
5/14/97		571.0	← current

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	0.608
COND. OR MISC. (C/M)	C
%N2	0.13
%CO2	5.23
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7990
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	225
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	2762
BOTTOMHOLE PRESSURE (PSIA)	3289.2

ALLISON UNIT #17 - DAKOTA - ORIGINAL

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	0.608
COND. OR MISC. (C/M)	C
%N2	0.13
%CO2	5.23
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	7990
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	225
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	571
BOTTOMHOLE PRESSURE (PSIA)	670.9

ALLISON UNIT #17 DAKOTA - CURRENT

Page No.: 1

Print Time: Tue May 13 14:43:46 1997

MESAVERDE

Property ID: 2405

Property Name: ALLISON UNIT | 17 | 52928A-1

Table Name: K:\ARIES\RR97PDP\TEST.DBF

--DATE-- ---CUM GAS-- M SIWHP
Mcf Psi

08/11/58	0	1074.0	← original
09/29/58	0	1061.0	
10/22/59	78000	845.0	
07/29/60	138000	617.0	
07/28/61	209000	605.0	
04/25/62	249000	664.0	
04/29/63	312000	659.0	
04/22/64	346000	670.0	
05/03/65	408000	606.0	
02/23/66	460000	590.0	
03/06/67	511000	609.0	
03/08/68	554000	646.0	
06/22/69	607035	682.0	
06/02/70	649968	699.0	
12/14/71	721580	699.0	
08/10/72	750543	629.0	
04/18/74	831312	612.0	
06/02/76	937274	659.0	
08/03/78	1043994	585.0	
06/05/80	1127883	597.0	
05/18/82	1208249	582.0	
07/02/84	1277592	578.0	
03/18/86	1307046	548.0	
09/31/89	1396520	554.0	
09/31/89	1396520	554.0	
09/31/89	1396520	554.0	
03/18/91	1435633	530.0	
08/13/91	1448448	542.0	
05/31/93	1495971	513.0	
5/19/97		465.0	← current

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	0.586
COND. OR MISC. (C/M)	C
%N2	0.07
%CO2	2.28
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	5740
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	175
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1074
BOTTOMHOLE PRESSURE (PSIA)	1215.2

ALLISON UNIT #17 - MESAVERDE - ORIGINAL

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	0.586
COND. OR MISC. (C/M)	C
%N2	0.07
%CO2	2.28
%H2S	0
DIAMETER (IN)	2.375
DEPTH (FT)	5740
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	175
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	465
BOTTOMHOLE PRESSURE (PSIA)	522.0

ALLISON UNIT #17 MESAVERDE - CURRENT

FARMINGTON 1997 MONTHLY PRODUCTION FOR 52928A
 ALLISON UNIT 17
 BLANCO MESAVERDE (PRORATED GAS FIELD

PHS030M1

MESAVERDE ZONE

DAYS =====			OIL =====			GAS =====								
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER	PROD	C
1	2	F					01	2250	31	987	15.025			
2	2	F					01	2018	28	987	15.025			
3	2	F					01	2249	31	987	15.025			
4														
5														
6														
7														
8														
9														
10														
11														
12														

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE
 PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTION
 00/00/00 00:00:00:0 PRS 05/03/97

B MY JOB NUM LU #2

FARMINGTON 1997 MONTHLY PRODUCTION FOR 52928B
 ALLISON UNIT 17
 BASIN DAKOTA (PRORATED GAS) FIELD

PHS030M1

DAKOTA ZONE

DAYS =====			OIL =====			GAS =====								
MO	T	S	ON	PC	PROD	GRV	PC	PROD	ON	BTU	PRESS	WATER	PROD	C
1	2	F					01	604	31	960	15.025			
2	2	F					01	696	28	959	15.025			
3	2	F					01	692	31	959	15.025			
4														
5														
6														
7														
8														
9														
10														
11														
12														

PF6 - RETURNS TO ANNUAL DISPLAY PF3 - TRANSFER TO UPDATE
 PF10 - HELP INFORMATION PF9 - DISPLAY MONTHLY INJECTION
 00/00/00 00:00:00:0 PRS 05/03/97

B MY JOB NUM LU #2

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 10743
Order No. R-9918**

**APPLICATION OF MERIDIAN OIL INC.
FOR DOWNHOLE COMMINGLING AND FOR
AN ADMINISTRATIVE DOWNHOLE COMMINGLING
PROCEDURE WITHIN THE ALLISON UNIT
AREA, SAN JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of July, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Meridian Oil Inc., seeks approval to commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Unit Well No. 9R located 1720 feet from the North line and 1655 feet from the East line (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(3) The applicant further seeks the adoption of an administrative procedure for authorizing the downhole commingling of Blanco-Mesaverde and Basin-Dakota Pool production within certain existing and subsequently drilled wells in its Allison Unit Area, San Juan County, New Mexico, without additional notice to each affected interest owner within the Unit Area.

(4) The Allison Unit Well No. 9R is to be drilled as a replacement well for the Allison Unit Well No. 9 which is located 1765 feet from the North line and 1500 feet from the East line (Unit G) of Section 13 and which is currently completed in and producing from the Basin-Dakota Pool.

(5) The Allison Unit Well No. 9 was drilled in 1955 and has cumulatively recovered some 4.4 BCF of gas from the Basin-Dakota Pool.

(6) Due to the age and mechanical condition of the Allison Unit Well No. 9, the applicant has estimated that it will not recover some 1.7 BCF of gas in the Basin-Dakota Pool underlying the E/2 of Section 13.

(7) Applicant's testimony indicates that due to economics, the Allison Unit Well No. 9R cannot be drilled solely to recover gas reserves in the Basin-Dakota Pool.

(8) The applicant expects to encounter marginal production only from the Blanco-Mesaverde Pool.

(9) The proposed downhole commingling is necessary in order for the applicant to economically recover Basin-Dakota and Blanco-Mesaverde Pool reserves underlying the E/2 of Section 13.

(10) The Allison Unit is a Federal exploratory unit initially comprising some 11,705 acres in New Mexico and some 2,069 acres in Colorado. Within New Mexico, the unit comprises portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County. The unit was formed in 1950 and is currently operated by Meridian Oil Inc.

(11) The evidence and testimony presented indicates that the Basin-Dakota and Blanco-Mesaverde Pools have both been substantially developed within the Allison Unit.

(12) The applicant has identified numerous Mesaverde and Dakota well locations within the Allison Unit which by virtue of marginal gas reserves and resulting poor economics cannot be economically drilled and produced as stand alone units.

(13) The current well economics and projected Dakota and Mesaverde gas reserves underlying these respective tracts virtually assure that these wells must be downhole commingled in order to meet the economic criteria for drilling.

(14) The applicant expects initial producing rates from both the Mesaverde and Dakota formations to be fairly marginal in nature.

(15) The applicant further demonstrated through its evidence and testimony that within the wells it proposes or will propose to commingle within the Unit Area:

- a) there will be no crossflow between the two commingled pools;
- b) neither commingled zone exposes the other to damage by produced liquids;
- c) the fluids from each zone are compatible with the other;
- d) the bottomhole pressure of the lower pressure zone should not be less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum; and,
- e) the value of the commingled production is not less than the sum of the values of the individual production.

(16) The Dakota and Mesaverde Participating Areas within the Allison Unit are not common.

(17) By virtue of different Participating Areas, the interest ownership between the Dakota and Mesaverde formations within any given wellbore is not common.

(18) Applicant's Exhibit No. 2 in this case is a list of three hundred and fifty four (354) interest owners in the Dakota and Mesaverde Participating Areas within the Allison Unit. All such interest owners were notified of the application in this case.

(19) Rule No. 303(C) of the Division Rules and Regulations provides that administrative approval for downhole commingling may be granted provided that the interest ownership, including working, royalty and overriding royalty interest, is common among the commingled zones.

(20) Applicant's proposed administrative procedure would provide for Division approval to downhole commingle wells in the Allison Unit Area without hearing, and without the requirement that each interest owner in the Dakota and Mesaverde Participating Areas be notified of such commingling.

(21) The downhole commingling of wells within the Allison Unit Area will benefit working, royalty and overriding royalty interest owners. In addition, the downhole commingling of wells within the Allison Unit Area should not violate the correlative rights of any interest owner.

(22) Evidence in this case indicates that . . . to each interest owner within the Dakota and Mesaverde Participating Areas of subsequent downhole comminglings within the Allison Unit is unnecessary and is an excessive burden on the applicant.

(23) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(24) An administrative procedure should be established within the Allison Unit for obtaining approval for subsequently downhole commingled wells without notice to Unit interest owners and hearing, provided however that, all provisions contained within Rule No. 303(C) of the Division Rules and Regulations, with the exception of Part 1 (b)(v), are fully complied with.

(25) The proposed administrative procedure for obtaining approval for downhole commingling will allow the applicant the opportunity to recover additional gas reserves from the Allison Unit Area which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(26) In the interest of prevention of waste and protection of correlative rights, the proposed downhole commingling within the Allison Unit Well No. 9R should be approved.

(27) The applicant should consult with the supervisor of the Aztec District Office of the Division subsequent to the completion of the subject well in order to determine a proper allocation of production.

(28) The operator should immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Meridian Oil Inc., is hereby authorized to commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the Allison Unit Well No. 9R located 1720 feet from the North line and 1655 feet from the East line (Unit G) of Section 13, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(2) The applicant shall consult with the supervisor of the Aztec district office of the Division subsequent to the completion of the subject well in order to determine a proper allocation of production.

(3) The operator shall immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

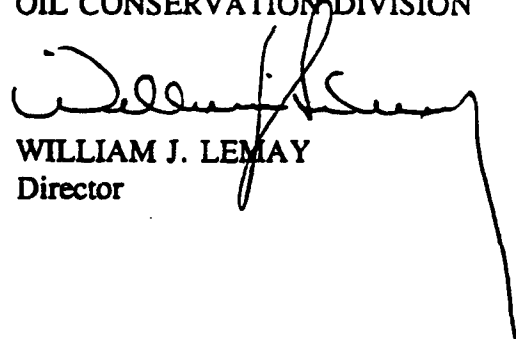
(4) An administrative procedure for obtaining approval to downhole commingle wells within the Allison Unit, located in portions of Township 32 North, Ranges 6 and 7 West, NMPM, San Juan County, New Mexico, is hereby established.

(5) In order to obtain Division authorization to downhole commingle wells within the Allison Unit, the applicant shall file an application with the Santa Fe and Aztec Offices of the Division. Such application shall contain all of the information required under Rule No. 303(C) of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the Dakota and Mesaverde Participating Areas in the Allison Unit of such proposed commingling. In addition, the application shall contain evidence that all offset operators and the United States Bureau of Land Management (BLM) have been notified of the proposed commingling.

(6) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L