

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-2097-A

Order Date: February 15, 2016

Application Reference Number: pMAM1604158673

FOUR STAR OIL AND GAS COMPANY
332 Road 3100
Aztec, NM 87410

Attention: Ms. April Pohl

Rincon Unit Well No. 192E
API No. 30-039-25060
Lot 4, Section 1, Township 26 North, Range 7 West, NMPM
Rio Arriba County, New Mexico

Pool	BLANCO-MESAVERDE (PRORATED GAS)	Gas	(72319)
Names:	LARGO GALLUP (PRORATED GAS)	Gas	(80000)
	BASIN DAKOTA (PRORATED GAS)	Gas	(71599)

Reference is made to your recent application for an exception to Division Rule 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 appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Division Rule 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 subject well is currently producing from a dual string with the Blanco-Mesaverde (Prorated Gas) producing from the short string and the Largo Gallup (Prorated Gas) and Basin Dakota (Prorated Gas) producing from the long string. The subject well will be worked over with a single string. Allocation of oil and gas production from the Largo Gallup (Prorated Gas) and Basin Dakota (Prorated Gas) is based on the original order. The Blanco-Mesaverde (Prorated Gas) is based on actual production.

Assignment of allowable and allocation of production from the well shall be as follows:

BLANCO-MESAVERDE (PRORATED GAS) Pool	Pct Oil: 0	Pct Gas: 3
LARGO GALLUP (PRORATED GAS) Pool	Pct Oil: 30	Pct Gas: 29
BASIN DAKOTA (PRORATED GAS) Pool	Pct Oil: 70	Pct Gas: 68

It is also understood that you have given due notice of this application, as defined by Division Order R-9893, to all offset operators, and the Bureau of Land Management (BLM).

REMARKS: The operator shall notify the Aztec District office prior to implementation of the commingling operations.

This Order Supersedes Division Order DHC 2097, issued on September 11, 1998.

This Order is subject to like approval from the BLM.

Pursuant to Division Rule 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.



David R. Catanach
Director

DRC/mam

cc: Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington