

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4798

Order Date: October 20, 2016

Application Reference Number: pMAM1626658456

Chevron Midcontinent, L.P.
332 Road 3100
Aztec, NM 87410

Attention: Simon Martin

Yager Well No. 2
API No. 30-045-22382
Unit B, Section 20, Township 32 North, Range 6 West, NMPM
San Juan County, New Mexico

Pool	BLANCO MESAVERDE (PRORATED GAS)	Gas	(72319)
Names:	BASIN FRUITLAND COAL	Gas	(71629)

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.

As per the application, the assignment of allowable and allocation of gas production from the subject well shall be based on historical production. Production from the Blanco-Mesaverde (Prorated Gas) shall be based on historical production in the subject well. Production for the Basin Fruitland Coal shall be based on historical production of an offset well.

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

BLANCO MESAVERDE (PRORATED GAS)	Pct. Gas: 17	Pct. Oil: 100
BASIN FRUITLAND COAL	Pct. Gas: 83	Pct. Oil: 0

It is also understood that you have given due notice of this application, as defined in Division Rule 19.15.4.12A. (6) NMAC, to all owners of interest due to uncommon ownership of the zones to be commingled.

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

This Order is subject to like approval from the United States Bureau of Land Management.

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: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management - Farmington