



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

ADMINISTRATIVE ORDER DHC-2474

Conoco Inc.
P.O. Box 2197
DU 3066
Houston, Texas 77252

Attention: Ms. Deborah Moore

*Storey C "LS" No. 7
API No. 30-045-07198
Unit B, Section 27, Township 28 North, Range 9 West, NMPM,
San Juan County, New Mexico
Aztec-Pictured Cliffs (Gas - 71280) and
Blanco-Mesaverde (Prorated - 72319) Pools*

Dear Ms. Moore

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Aztec-Pictured Cliffs Gas Pool	Oil-0%	Gas-62%
Blanco-Mesaverde Gas Pool	Oil-100%	Gas-38%

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 12th day of October, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery, Dir".

LORI WROTENBERY
Director

S E A L

LW/DRC

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