



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-2526

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

Attention: Ms. Deborah Moore

*San Juan 28-7 Unit No. 52
API No. 30-039-07315
Unit H, Section 27, Township 28 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
South Blanco-Pictured Cliffs (Prorated Gas - 72439) and
Blanco-Mesaverde (Prorated Gas - 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:

South Blanco-Pictured Cliffs Gas Pool	Oil-0%	Gas-13%
Blanco-Mesaverde Gas Pool	Oil-100%	Gas-87%

Administrative Order DHC-2526

Conoco Inc.

December 13, 1999

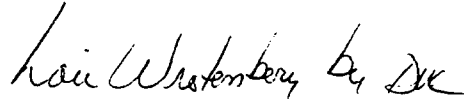
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REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 13th day of December, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", followed by a small mark that looks like "by DRC".

LORI WROTENBERY
Director

S E A L

LW/DRC

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



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

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

November 22, 1999

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

Attention: Ms. Deborah Moore

Re: DHC Application
San Juan 28-7 Unit No. 52

Dear Ms. Moore:

With regards to the above-described downhole commingling application, please submit a description of the data utilized to determine the allocation of production to each of the zones. The approximate rate of production, as shown on the C-107-A, does not support the proposed percentages.

Your application will be processed upon receipt of this data. If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

Xc: OCD-Aztec