



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

2ND AMENDED ADMINISTRATIVE ORDER DHC-2726

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Peggy Cole

*Grenier "B" No. 5E
API No. 30-045-30086
Unit I, Section 6, Township 29 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Blanco-Mesaverde (Prorated Gas – 72319) and
Basin-Dakota (Prorated Gas – 71599) Pools*

Dear Ms. Cole:

Reference is made to your recent application for an amendment to Amended Division Order No. DHC-2726 dated January 25, 2001, which order authorized the downhole commingling of Otero-Chacra, Blanco-Mesaverde and Basin-Dakota Gas Pool production within the subject well. It is our understanding that the Otero-Chacra Pool will not be commingled in the well at this time.

It appearing that the subject well qualifies for approval for such amendment 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.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

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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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 18th day of July, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

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