



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3077

SDG Resources
PO Box 1390
Montrose, Colorado 81402

Attention: Mr. Alex Rossi

*Cooper Jal Unit Well No. 104
API No. 30-025-11138
Unit E, Section 18, Township 24 South, Range 37 East, NMPM,
Lea County, New Mexico
Langlie Mattix-SR-Q-Grbg (Oil 37240), and
Jalmat-Tansill Yates SR (Oil 33820) Pools*

Dear Mr. Rossi:

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 well bore.

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.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

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

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 21st day of November 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg (WVD)
LORI WROTENBERY
Division Director

LW/wvjj

cc: Oil Conservation Division – Hobbs
Eddie Seay - Hobbs