



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order DHC-4019

Application Reference Number: pKVR0809455728

BP AMERICA PRODUCTION COMPANY

PO BOX 3092

Houston, TX 77253

Attention: CHERRY HLAVA, REGULATORY ANALYST

RUSSELL Well No. 002

API No: 30-045-24050

Unit M, Section 24, Township 28 North, Range 8 West, NMPM

San Juan County, New Mexico

Pool: BASIN DAKOTA (PRORATED GAS)

Gas 71599

Names: BLANCO-MESAVERDE (PRORATED GAS)

Gas 72319

OTERO CHACRA (GAS)

Gas 82329

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

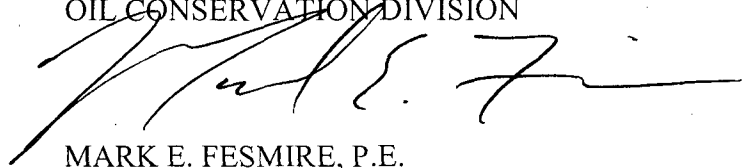
Assignment of allowable to the well and allocation of production from the well shall be done by declining the Dakota and subtracting this from the total well production, then splitting the upper two intervals based on a fixed percentage to be determined after testing is completed. **The applicant shall submit the allocation percentages for the upper two intervals to the Division within 60 days following completion of this workover.**

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

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Order approved at Santa Fe, New Mexico on 4/8/2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over the printed name and title.

MARK E. FESMIRE, P.E.
Director

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