

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4025

Order Date: 5/30/2008

Application Reference Number: pKVR0813345781

M & G DRLG CO INC
7415 E. Main Street
FARMINGTON, NM 87402

Attention: Walsh Engineering (Paul Thompson)

GRAHAM Well No. 001B
API No: 30-045-32645
Unit H, Section 4, Township 27 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 as follows.

Basin Dakota (Prorated Gas) Pool	Pct Gas: 27	Pct Oil: 52
Blanco-Mesaverde(Prorated Gas) Pool	Pct Gas: 63	Pct Oil: 46
Otero Chacra (Gas) Pool	Pct Gas: 10	Pct Oil: 2

These percentages shall be amended only with written permission of the Division.



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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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