



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3093

Robert L. Bayless, Producer L.L.C.
P. O. Box 168
Farmington, New Mexico 87499

Attention: Mr. Tom McCarthy

*Mosely No. 1
API No. 30-045-28993
Unit K, Section 2, Township 30 North, Range 12 West, NMPM,
San Juan County, New Mexico.
Flora Vista-Fruitland Sand (Gas - 76600) and
Basin-Fruitland Coal (Gas - 71629) Pools*

Dear Mr. McCarthy:

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 Gas Proration Schedule.

Production from the commingled zones shall be allocated as follows:

Gas production from the Basin-Fruitland Coal Gas Pool shall be determined utilizing the production forecast submitted as an attachment to the downhole commingling application. Gas production from the Flora Vista-Fruitland Sand Gas Pool shall be determined by subtracting Basin-Fruitland Coal Gas Pool production from the well's total monthly gas production.

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 14th day of January, 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director

LW/DRC

cc: Oil Conservation Division – Aztec
State Land Office-Oil & Gas Division