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-4083 Order Date: September 19, 2008

BP AMERICA PRODUCTION COMPANY PO BOX 3092 Houston, TX 77253

Attention: CHERRY HLAVA

Dryden Well No. 1 API No: 30-045-11881 Unit M, Section 28, Township 28 North, Range 8 West, NMPM San Juan County, New Mexico Pool: Otero-Chacra Gas Gas 82329 Names: Blanco-Mesaverde (Prorated Gas) Gas 72319 Basin Dakota (Prorated Gas) Gas 71599

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.

It is our understanding that interests between pools in this well are diverse, notice was sent to all affected parties as required in Rule 303, and no one has protested this proposed commingling. Assignment of allowable to the well and allocation of production from the well shall be done after testing of all intervals to be commingled. The applicant shall submit the allocation percentages to the Division within 60 days following completion of this workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Administrative Order DHC-4083 BP AMERICA PRODUCTION COMPANY September 19, 2008 Page 2 of 2

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

٤.

MARK E. FESMIRE, P.E. Director

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