



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3217

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Tammy Wimsatt

*Elliot Federal "22" Well No. 1M
API No. 30-045-30820
Unit P, Section 22, Township 30 North, Range 11 West, NMPM,
San Juan County, New Mexico
Undesignated Otero-Chacra (Gas - 82329),
Blanco-Mesaverde (Prorated Gas - 72319), and
Basin-Dakota (Prorated Gas - 71599)*

Dear Ms. Wimsatt:

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 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), the maximum amount of gas that may be produced daily from the well shall be determined by Division Rules and Regulations, or by the gas allowable for each respective prorated gas pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec 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 Aztec District Office, the applicant shall submit the allocation formula in writing to the Santa Fe Office of the Division, **and to each party owning an interest in the Vasaly Com Well No. 1M**

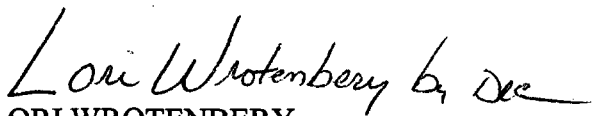
Failure to comply with the above-described notification requirements shall subject the well to immediate shut-in and other actions as may be deemed necessary by the Division.

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 4th day of December, 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Division Director

LW/DRC

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