



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-4145

Order Date: 2/6/2009

Application Reference Number: pKAA0901239054

M&G Drilling Company
c/o Walsh Engineering
Attention: Paul C. Thompson, P.E.
7415 E. Main
Farmington, NM 87402

Re: Graham 10 Well No. 7
API No. 30-045-32728
Unit B, Section 10, Township 27 North, Range 8 West, NMPM
San Juan County, New Mexico

Pools:	BLANCO MESAVERDE (PRORATED GAS)	Gas 72319
	OTERO CHACRA	Gas 82329
	BASIN DAKOTA (PRORATED GAS)	Gas 71599

Reference is made to your recent application for an exception to Division Rule 12.9.A. 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 Division Rule 12.11.A., 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 12.11.A.(6), the production attributed to any commingled, prorated pool shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

BLANCO MESAVERDE (PRORATED GAS) Pool	Pct Gas: 10	Pct Oil: 3
OTERO CHACRA	Pct Gas: 74	Pct Oil: 44
BASIN DAKOTA (PRORATED GAS) Pool	Pct Gas: 16	Pct Oil: 53



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

Pursuant to Rule 12.11.B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Director

MEF/dkb

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