



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2631

Conoco Inc.
P.O. Box 2197
Houston, Texas 77252-2197

Attention: Ms. Deborah Moore



*San Juan 28-7 Unit No. 48
API No. 30-039-07362
Unit L, Section 21, Township 28 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319),
South Blanco-Pictured Cliffs (Prorated Gas - 72439) and
Basin-Fruitland Coal (Gas - 71629) Pools*

Dear Ms. Moore:

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 San Juan Basin Gas Proration Schedule.

Production from the well shall be allocated as follows:

The Basin-Fruitland Coal and South Blanco-Pictured Cliffs Gas Pools shall be tested individually after completion until such time as a stabilized production rate is obtained. Subsequent to commingling, Blanco-Mesaverde Gas Pool production shall be determined by utilizing the production forecast submitted with the downhole commingling application. Oil and gas production from the Basin-Fruitland Coal and South Blanco-Pictured Cliffs Gas Pools shall be determined by

subtracting Blanco-Mesaverde Gas Pool production from the well's total monthly oil and gas production. Basin-Fruitland Coal and South Blanco-Pictured Cliffs Gas Pool production shall be allocated in accordance with a Division approved fixed allocation based upon initial production tests.

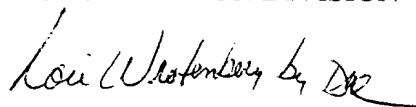
Subsequent to conducting production tests on the Basin-Fruitland Coal and South Blanco-Pictured Cliffs Gas Pools, the applicant shall submit the test data to the Santa Fe Office of the Division for approval of a fixed allocation of production between these zones.

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

Pursuant to Rule 303.H., 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 18th day of February, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", followed by a stylized flourish or set of initials.

LORI WROTENBERY
Director

S E A L

LW/DRC

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