



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-1602

AD
DS
Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500
Attention: Mr. Jerry W. Hoover

RECEIVED
JUL 24 1997

OIL CON. DIV.
DIST. 3

*San Juan 28-7 Unit No. 74A
API No. 30-039-22237
Unit I, Section 11, Township 28 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
South Blanco-Pictured Cliffs (Gas - 72439) and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Mr. Hoover:

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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

South Blanco-Pictured Cliffs Gas Pool	Oil 0%	Gas 27%
Blanco-Mesaverde Gas Pool	Oil 100%	Gas 73%