



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
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GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

July 2, 1997

Mike Pippen
Burlington Res O&G Co
PO Box 4289
Farmington NM 87499-4289

Re: Huerfano Unit #549, A-33-27N-10W, 30-045-28943

Dear Mike:

The subject well was completed as a down hole commingle under the authority of NMOCD Order R-9921 and R-9921A. The order stipulates that the total gas production from both zones cannot exceed 300 MCF/day or as stipulated in R-9921-A that the economic limit from either pool is less than the curve for the dual completion case as plotted on exhibit "B." The actual production from both zones in the well exceeds 300 MCF/day. Please provide evidence that the economic limit plotted for production from either pool is less than the curve for the dual completion case as plotted on exhibit "B" and in addition, an allocation for each zone must be provided. Failure to provide this evidence will require the installation of a packer to separate the two zones in the well until the conditions for the order can be met. Separation of the two zones must be done within 90 days of the date of this letter.

Please contact this office if you have any questions.

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/sh

xc: David Catanach-NMOCD Santa Fe
Duane Spencer-BLM Farmington