



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-2378

RECEIVED
JUL - 7 1999

OIL CON. DIV.
DIST. 3

Bonneville Fuels Corporation
1660 Lincoln, Suite 2200
Denver, Colorado 80264

Attention: Mr. Alan L. Merrill

*Fullerton Federal 15 GD No.41 (API No.30-045-29741)
Unit A, Section 15, Township 27 North, Range 11 West, NMPM,
San Juan County, New Mexico.
South Kutz-Gallup (Oil - 96852) and
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Merrill:

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.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 80 B/D

Gas 160 Mcf/D

Water 160 B/D

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

| | | |
|------------------------|---------|---------|
| South Kutz Gallup Pool | Oil 63% | Gas 6% |
| Basin Dakota Pool | Oil 37% | Gas 94% |

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 2nd day of July, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

 *LORI WROTENBERY*

LORI WROTENBERY
Director

S E A L

LW/MWA/kv

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