



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-1608

Phillips Petroleum Company
5525 Highway 64
Farmington, New Mexico 87401

Attention: Mr. Sean C. Helton

RECEIVED
AUG 13 1997
OIL CON. DIV.
DIST. 3

*San Juan 29-5 Unit Well No.55 (API No.30-039-20458)
Unit M, Section 18, Township 29 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Helton:

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.

In accordance with the provisions of Rule 303.C., the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

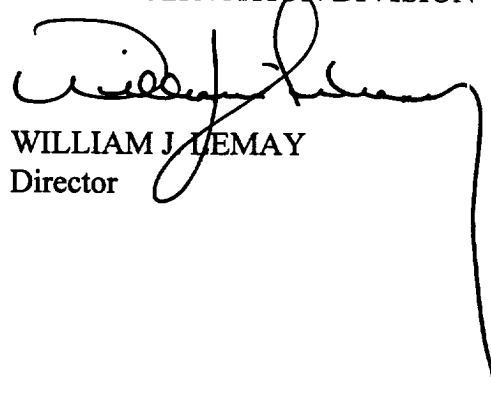
REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Administrative Order DHC-1608
Phillips Petroleum Company
August 1, 1997
Page 2

Approved at Santa Fe, New Mexico on this 1st day of August, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name. A long, thin vertical line extends downwards from the signature.

WILLIAM J. LEMAY
Director

S E A L

WJL/BES/ljs

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