



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-1994

Phillips Petroleum Company  
5525 Highway 64  
Farmington, New Mexico 87401

Attention: Mr. Mark W. Stodola

*San Juan 30-5 Unit No. 76M  
API No. 30-039-25511  
Unit F, Section 15, Township 30 North, Range 5 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco-Mesaverde (Prorated Gas - 72319) and  
Basin-Dakota (Prorated Gas - 71599) Pools*

RECEIVED  
JUL 23 1998  
OIL CON. DIV.  
DIST. 3

Dear Mr. Stodola:

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 subject well shall initially be allocated as follows:

Gas and oil production from the Basin-Dakota Gas Pool shall be determined utilizing the production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

*Administrative Order DHC-1994  
Phillips Petroleum Company  
July 21, 1998  
Page 2*

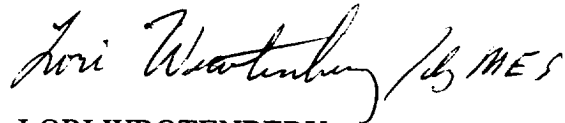
---

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 21st day of July, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of Lori Wrotenbery in cursive, with the initials 'LW' and 'MES' written to the right of the signature.

LORI WROTENBERY  
Director

S E A L

LW/DRC

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