



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-1246

Meridian Oil Company  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

Attention: Ms. Mary Ellen Lutey

RECEIVED  
JUL 10 1996  
OIL CON. DIV.  
DIST. 3

*Riddle 'B' Well No.5  
Unit O, Section 23, Township 30 North, Range 10 West, NMPM,  
San Juan County, New Mexico.  
Angles Peak Gallup (Associated - 2170) and  
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Lutey:

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 subject well are hereby established as follows:

|             |               |               |
|-------------|---------------|---------------|
| Oil 222 B/D | Gas 444 Mcf/D | Water 444 B/D |
|-------------|---------------|---------------|

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.

*Administrative Order DHC-1246*

*Meridian Oil Company*

*July 3, 1996*

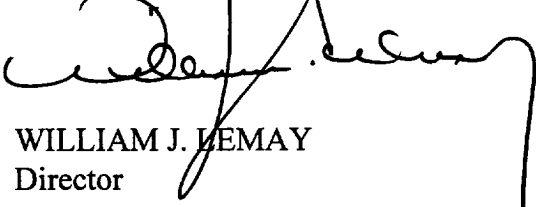
*Page 2*

---

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 3rd day of July, 1996.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

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