OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1231

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

Attention: Ms. Mary Ellen Lutey

DECEIVED N MAY - 2 1996

OIL CON. DIV.

Sunray 'D' Well No.1A Unit F, Section 21, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. Aztec Pictured Cliffs (Gas - 71280) and Blanco Mesaverde (Gas - 72319) 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.

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 25th day of April, 1996.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

WILLIAM J/LEMAY

Director

SEAL

WJL/BES

cc: Oil Conservation Division - Aztec

Bureau of Land Management - Farmington

UNITED STATES

DEPARTMENT OF THE INTERIOR RECEIVED BUREAU OF LAND MANAGEMENT BLM

Sundry Notices and Reports 6 NUMBEL 18 PM 3:	7	······
070 FARMINGTON, N 1. Type of Well GAS		Lease Number SF-078204 If Indian, All. or Tribe Name
	7.	Unit Agreement Name
2. Name of Operator MERIDIAN OIL	8.	Well Name & Number
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	9.	Sunray D #1A API Well No. 30-045-24139
4. Location of Well, Footage, Sec., T, R, M 1660'FNL, 1760'FWL, Sec.21, T-30-N, R-10-W, NMPM	10.	Field and Pool Aztec Pictured Cliffs
F	11.	Blanco Mesaverde County and State San Juan Co, NM
Recompletion New Co X Subsequent Report Plugging Back Non-Ro Casing Repair Water Final Abandonment Altering Casing Convert X Other - Tubing change	Shut o	ff o Injection
13. Describe Proposed or Completed Operations		
7-25-96 MIRU. ND WH. NU BOP. TIH, tag fill @ 5655'. Blow 2 3/8" tbg. TIH w/179 jts 2 3/8" 4.7# J-55 tbg 5599'. ND BOP. NU WH. SDON. 7-26-96 Install pumping tee & ratigan. TIH w/223 3/4" refor weekend. 7-29-96 Install new bridle & respaced pump. RD. Rig relationships the state of the state o	ods <u>& p</u>	erf sub, landed e
		DECENTO N AUG - 5 1986
		OIL CON. DIV. Dist. 3
14. I hereby certify that the foregoing is true and correct. Signed Man Man Title Regulatory Administra	tor Dat	ce 7/30/96
(This space for Federal or State Office use) APPROVED BY Title CONDITION OF APPROVAL, if any:	Date	CEPTED FOR RECORD
	; 1 67'	AUG 0 2 1996

FARMINGTON DISTRICT OFFICE BY