

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 29 percent of the commingled production should be allocated to the Fruitland zone, and 71 percent of the commingled production to the Pictured Cliffs zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, C & E Operators, Inc., is hereby authorized to commingle Farmer-Fruitland and undesignated Pictured Cliffs production within the wellbore of the Fee Well No. 8A, located in Unit C of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

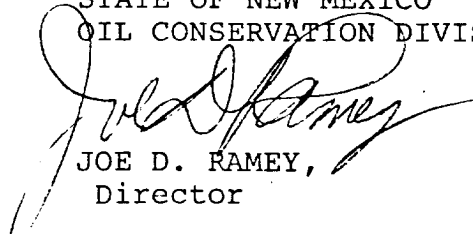
(2) That 29 percent of the commingled production shall be allocated to the Fruitland zone and 71 percent of the commingled production shall be allocated to the Pictured Cliffs zone.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L