NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87506 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1344

Conoco Inc. 10 Desta Drive Suite 100W Midland, Texas 79705

Attention: Mr. Jerry W. Hoover

DECEIVE SEP 1 0 1996 L OIL GON. DIV.

Gage Well No. 3M
Unit C, Section 20, Township 30 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Basin-Dakota (Prorated Gas - 71599) and
Blanco-Mesaverde (Prorated Gas - 72319) Pools

Dear Mr. Hoover:

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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Basin-Dakota Gas Pool	Oil 55%	Gas 43%
Blanco-Mesaverde Gas Pool	Oil 45%	Gas 57%

REMARKS: The operator shall notify the Aztec District Office of the Division upon