



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3259

Chesapeake Operating
6100 N. Western
Oklahoma City, OK 73118-1044

Attention: Erick W. Nelson

*Federal "DH" Gas Com Well No. 1
API No. 30-015-24857
Unit M, Section 11, Township 18 South, Range 27 East, NMPM,
Eddy County, New Mexico
Scoggin Draw-Strawn (Gas 85020), and
Scoggin Draw-Morrow (Gas 85000) Pools*

Dear Mr. Nelson:

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 303C.(1), the maximum amount of oil and gas that may be produced from the well shall be determined by Division Rules and Regulations.

Assignment of allowable to the well and allocation of production from the well shall be as follows. These percentages shall be amended only with permission of the Artesia District Office and copied in writing to the Division office in Santa Fe.

Scoggin Draw-Strawn Gas Pool	Oil-0%	Gas-0%
Scoggin Draw-Morrow Gas Pool	Oil-100%	Gas-100%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 6th day of April 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOANNA PRUKOP
Acting Division Director

JP/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad