



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3267

ConocoPhillips Company
P.O. Box 3092
Houston, TX 77253

Attention: Deborah Marberry

*San Juan 29-5 Unit Well No. 26A
API No. 30-039-21555
Unit D, Section 18, Township 29 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico
Basin-Fruitland Coal (Gas - 71629), and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Ms. Marberry:

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C(1)(f), the allocated production from any prorated pool in the commingled wellbore shall not exceed the applicable allowable.

The Fruitland Coal Gas production shall be the remainder of the total well production minus the Mesaverde production, which begins in January 2004 at 178 Mcf per day and declines at an annual rate of 4% for the life of the well.

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

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the

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May 1, 2004

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Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 1st day of May 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOANNA PRUKOP
Acting Division Director

JP/wvjj

cc: Oil Conservation Division – Aztec