

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

ADMINISTRATIVE ORDER DHC-1150

J.K. Edwards and Associates
7415 East Main
Farmington, New Mexico 87402

Attention: Paul C. Thompson

*Tenneco Federal Well No.1
Unit M, Section 8, Township 26 North, Range 12 West, NMPM,
San Juan County, New Mexico.
Basin Fruitland Coal and West Gallegos Farmington Pools*

Dear Mr. Thompson:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. 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.

Basin Fruitland Coal Pool	Oil 0%	Gas 90%
West Gallegos Farmington Pool	Oil 100%	Gas 10%

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-1150

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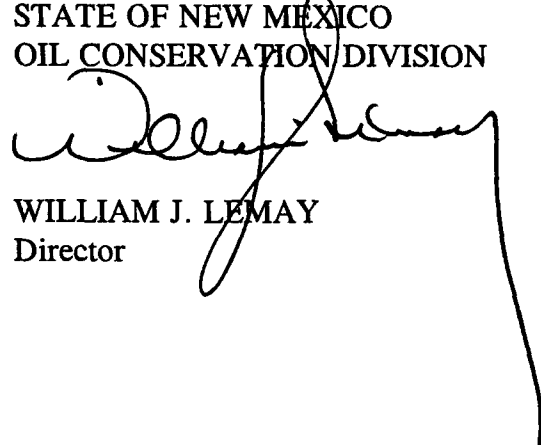
September 26, 1995

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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 26th day of September, 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington