

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4779

Order Date: August 25, 2015

Application Reference Number: pMAM1523358632

Chaparral Oil and Gas Company
P.O. Box 100
Aztec, NM 87410

Attention: Mr. Paul Thompson

Francis Well No. 1
API No. 30-045-20612
Unit L, Section 18, Township 28 North, Range 10 West NMPM
San Juan County, New Mexico

Pool	BASIN FRUITLAND COAL (GAS)	Gas (71629)
Names:	FULCHER KUTZ PICTURED CLIFFS (GAS)	Gas (77200)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the allocation of gas production from the subject well shall be based on the analysis of the historical production from surrounding wells in the same pools.

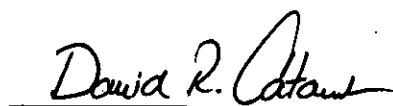
Assignment of allowable and allocation of production from the well shall be as follows:

BASIN FRUITLAND COAL (GAS) POOL	Pct. Oil: 0	Pct. Gas: 45
FULCHER KUTZ PICTURED CLIFFS (GAS)	Pct. Oil: 0	Pct. Gas: 55

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District III office upon implementation of commingling operations.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

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