



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1374

McElvain Oil & Gas Properties, Inc.
P.O. Box 2148
Santa Fe, New Mexico 87504-2148

Attention: Ms. Anna M. Griego

*Miller 'A' Well No.1 (API No.30-039-05502)
Unit A, Section 13, Township 24 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Devils Fork Gallup (Associated - 17610) and
Basin Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Griego:

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 multiple 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 subject zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 347 B/D	Water 694 B/D
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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:

Devils Fork Gallup Pool	Oil 70%	Gas 0%
Basin Dakota Pool	Oil 30%	Gas 100%

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

Pursuant to Rule 303.H., the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 10th day of October, 1996.

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