



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-1940-A

Conoco Inc.
600 N. Dairy Ashford, DU 3084
Houston, Texas 77079-6651

Attention: Ms. Yolanda Perez

*Jicarilla "B" Well No. 2A
API No. 30-039-25845
Unit I, Section 25, Township 26 North, Range 4 West, NMPM,
Rio Arriba County, New Mexico
Tapacito-Pictured Cliffs (Prorated Gas -85920), and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Ms. Perez:

Administrative Division Order DHC-1940 is hereby modified, deleting the Basin-Dakota Prorated Gas Pool and adding the Tapacito-Pictured Cliffs Prorated Gas Pool. The resulting Division Order reads as follows:

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 Division Order R-11363, 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.

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.

For allocation of gas production between zones, the applicant shall utilize the subtraction method. Pictured Cliffs gas production shall be calculated as total production minus forecast gas production for the Mesaverde production. Oil production shall totally be allocated to the Mesaverde.

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REMARKS: The operator shall notify the Aztec 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 21st day of June 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (wvjj)

LORI WROTENBERY
Director

LW/WVJ

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Farmington
Files: R-11363