

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

- DHC  
 - XTO Energy, Inc  
 5380  
 well  
 - JICARILLA Apache  
 #146  
 30-035-29658  
 Pool  
 - BLANCO mesa well  
 (Prorated GAS)  
 72315  
 - BUSINESSMAN  
 97232  
 - BUSINESS DAKOTA  
 71599

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

<u>KRISTEN D. LYNCH</u> Print or Type Name	<u>Kristen D. Lynch</u> Signature	<u>REGULATORY ANALYST</u> Title	<u>02/18/2016</u> Date
		<u>Kristen_lynch@xtoenergy.com</u> e-mail Address	



Kristen D. Lynch  
Regulatory Analyst  
XTO Energy Inc.  
382 CR 3100  
Aztec, New Mexico 87410  
(505) 333-3206 Direct

RECEIVED OCD

2016 FEB 22 P 3: 14

February 18, 2016

Mr. Michael McMillan  
New Mexico Oil Conservation Division  
12220 S. St. Francis Drive  
Santa Fe, NM 87505

Subject: Amend Existing DHC Order DHC-3897 for the Jicarilla Apache 14G

Dear Mr. McMillan

Please find attached Amended Downhole Commingling Application. The original DHC Application was filled and approved in 2007 however; the work was performed to recomplete the Blanco Mesaverde at that time. The Basin Mancos has never been completed to date. XTO Energy Inc. intends to recomplete the Basin Mancos zone in the Jicarilla Apache 14G and commingle the existing Basin Dakota and Blanco Mesaverde with the Basin Mancos upon recompletion. If you have any questions regarding this application please let me know at (505)-333-3206.

Sincerely,

A handwritten signature in black ink that reads 'Kristen D. Lynch'.

Kristen D. Lynch  
Regulatory Analyst

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised August 1, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO ENERGY INC.

382 CR 3100, AZTEC, NM 87410

Operator Address  
JICARILLA APACHE 14G K-34-T26N-R05W SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code 30320 API No. 30-039-29658 Lease Type: Federal State

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	BASIN MANCOS	BASIN DAKOTA
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5131'-5341'	6959'-7037'	7133'-7371'
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	N/A
Oil Gravity or Gas:BTU (Degree API or Gas BTU)	1168 BTU	N/A	1168 BTU
Producing, Shut-In or New Zone	PRODUCING	NEW ZONE	PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 11/1/2015 Rates: O: 5 bbls, G: 440 mcf, W: 0 bbls	Date: Rates:	Date: 11/1/2015 Rates: O: 7bbls, G: 1394mcf, W: 180bbls
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 12 % Gas 5 %	Oil 82 % Gas 79 %	Oil 11 % Gas 16 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No   
 Are all produced fluids from all commingled zones compatible with each other? Yes  No   
 Will commingling decrease the value of production? Yes  No   
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: DHC-3897

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication. ✓
- Production curve for each zone for at least one year. (If not available, attach explanation.) ✓
- For zones with no production history, estimated production rates and supporting data. ✓
- Data to support allocation method or formula. ✓
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases. ✓
- Any additional statements, data or documents required to support commingling. ✓

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kristen D. Lynch TITLE REGULATORY ANALYST DATE 2/18/2016  
 TYPE OR PRINT NAME KRISTEN D. LYNCH TELEPHONE NO. ( 505 ) 333-3206  
 E-MAIL ADDRESS kristen\_lynch@xtoenergy.com

DISTRICT I  
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., Artesa, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-29658		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name BLANCO MESAVERDE	
<sup>4</sup> Property Code 16707		<sup>5</sup> Property Name 30320 JICARILLA APACHE		<sup>6</sup> Well Number 14G	
<sup>7</sup> OCRID No. 167067		<sup>8</sup> Operator Name XTO ENERGY INC.		<sup>9</sup> Elevation 6612'	

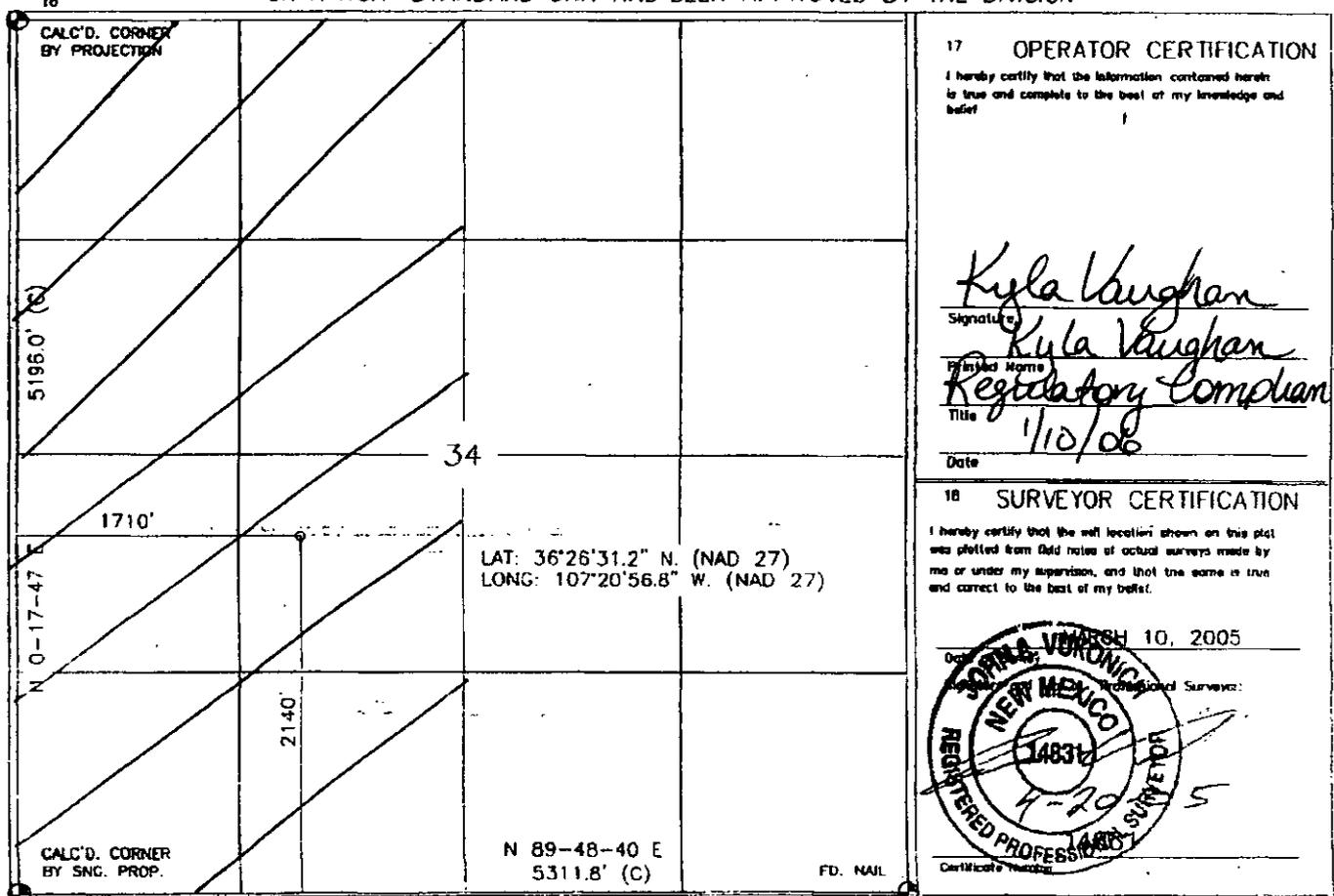
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	26-N	5-W		2140	SOUTH	1710	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres W/2 320		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



District I  
1625 N. French Dr., Hobbs, NM 88240  
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811 South First, Artesia, NM 88210  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 19, 2009  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-29658	<sup>2</sup> Pool Code 97232	<sup>3</sup> Pool Name BASIN MANCOS
<sup>4</sup> Property Code 30320	<sup>5</sup> Property Name JICARILLA APACHE	
<sup>7</sup> OGRID No. 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>6</sup> Well Number 14G <sup>9</sup> Elevation 6612'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	26N	05W		2140'	SOUTH	1710'	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
SAME									

<sup>12</sup> Dedicated Acres MC: 320 ACRES	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true &amp; complete to the best of my knowledge &amp; belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>
	<i>Kristen Lynch</i> Signature
	Kristen Lynch Printed Name
	KRISTEN D. LYNCH Title
	REGULATORY ANALYST Title
	Date 2/02/2016
	<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true &amp; correct to the best of my belief.</i>
	6/23/1984 Date of Survey
	Original Survey Signed By: John A. Vukonich
	14831 Certificate Number

DISTRICT I  
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State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-29658		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code <del>16707</del> 30320		<sup>5</sup> Property Name JICARILLA APACHE			<sup>6</sup> Well Number 14G
<sup>7</sup> OCRID No. 167067		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 6612'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	26-N	5-W		2140	SOUTH	1710	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres W/2 <del>320</del> 320		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>5196.0' (C) 1710' 2140' 34 LAT: 36°26'31.2" N. (NAD 27) LONG: 107°20'56.8" W. (NAD 27) N 89-48-40 E 5311.8' (C)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kyla Vaughan</i> Signature <i>Kyla Vaughan</i> Printed Name Regulatory Compliance Title 11/10/06 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date: MARCH 10, 2005 Professional Surveyor:  Certification Number: 5</p>

From: [Tom Pennington](#)  
To: [Kristen Lynch](#); [Loron Ashcroft](#)  
Cc: [Kelly Kardos](#); [Dee Johnson](#); [Rhonda Smith](#)  
Subject: RE: AFE 1507915 requires partner approval. Well 77726[JICARILLA APACHE 14G MC]; Rio Arriba County, NM

Sent: Fri 1/29/2016 12:36 PM



We don't have any offset production data for the Mancos zone we are targeting in this area so we can't use a 9 section average, i.e. this is a different zone than the current Gallup/Mancos zones that nearby wells are producing out of. This Mancos zone is an organic shale whereas the others are sandstones so they are not comparable. These allocations are based on the actual Dakota and Mesaverde forecasted production rates proportioned with expected uplift from the targeted organic Mancos shale zone.

Tom Pennington  
Western Division: Reservoir Engineering  
Phone: 817-885-1279  
Office: WTW 1508  
XTO Energy an ExxonMobil Subsidiary

---

From: Lynch, Kristen  
Sent: Friday, January 29, 2016 1:29 PM  
To: Pennington, Thomas; Ashcroft, Loron  
Cc: Kardos, Kelly; Johnson, Dee; Smith, Rhonda  
Subject: RE: AFE 1507915 requires partner approval. Well 77726[JICARILLA APACHE 14G MC]; Rio Arriba County, NM

Looks good, is this based on the 9 section average?

Kristen

---

From: Pennington, Thomas  
Sent: Friday, January 29, 2016 12:20 PM  
To: Lynch, Kristen; Ashcroft, Loron  
Cc: Kardos, Kelly; Johnson, Dee; Smith, Rhonda  
Subject: RE: AFE 1507915 requires partner approval. Well 77726[JICARILLA APACHE 14G MC]; Rio Arriba County, NM

Let me know if this format works.

Tom Pennington  
Western Division: Reservoir Engineering  
Phone: 817-885-1279  
Office: WTW 1508

<u>DB ID</u>	<u>MAJOR</u>	<u>WELL</u>	<u>WELL NO</u>	<u>FIELD</u>	<u>RESERVOIR</u>	<u>COUNTY</u>	<u>STATE</u>	<u>PRODUCT</u>	<u>LOCATION</u>
523809	GAS	JICARILLA APACHE	14G	BASIN	DAKOTA	RIO ARRIBA	NEW MEXICO	G	
523809	GAS	JICARILLA APACHE	14G	BASIN	DAKOTA	RIO ARRIBA	NEW MEXICO	O	
545942	GAS	JICARILLA APACHE	14G	BLANCO	MESAVERDE	RIO ARRIBA	NEW MEXICO	G	
545942	GAS	JICARILLA APACHE	14G	BLANCO	MESAVERDE	RIO ARRIBA	NEW MEXICO	O	
					Expected Mancos			G	
					Expected Mancos			O	
					Total			G	
					Total			O	
					% Dakota			G	
					% Dakota			O	
					% MVRD			G	
					% MVRD			O	
					% MNCS			G	
					% MNCS			O	

**Allocations**

<b>Gas:</b>	<b>DKOT</b>	<b>16%</b>
	<b>MVRD</b>	<b>5%</b>
	<b>MNCS</b>	<b>79%</b>
<b>Oil:</b>	<b>DKOT</b>	<b>11%</b>
	<b>MVRD</b>	<b>7%</b>
	<b>MNCS</b>	<b>82%</b>



1/31/2016	2/29/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	
1396	1388	1380	1372	1364	1356	1348	1340	1332	1324	1317	
4	4	4	4	4	4	4	4	4	4	4	
441	438	436	433	431	428	426	423	421	418	416	
3	3	3	3	3	3	3	3	3	3	3	
7674	7360	7060	6943	6829	6716	6605	6495	6388	6283	6179	
38	37	35	34	32	31	30	29	27	26	25	
											avg
9510	9186	8875	8748	8623	8499	8378	8259	8141	8025	7911	
45	44	42	41	39	38	37	35	34	33	32	
15%	15%	16%	16%	16%	16%	16%	16%	16%	17%	17%	16%
9%	10%	10%	10%	11%	11%	11%	11%	12%	12%	12%	11%
5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
6%	6%	6%	7%	7%	7%	7%	7%	8%	8%	8%	7%
81%	80%	80%	79%	79%	79%	79%	79%	78%	78%	78%	79%
84%	84%	84%	83%	83%	82%	82%	81%	81%	80%	80%	82%

## McMillan, Michael, EMNRD

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**From:** Lynch, Kristen <Kristen\_Lynch@xtoenergy.com>  
**Sent:** Monday, February 22, 2016 3:49 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** FW: Jicarilla Apache 14G

Michael,

Will this be sufficient?

Thank You,

KRISTEN LYNCH  
REGULATORY ANALYST  
SAN JUAN DISTRICT OFFICE, WESTERN DIVISION  
382 CR 3100, AZTEC, NM 87410  
OFFICE (505) 333-3206



---

**From:** Kunc, Patrick  
**Sent:** Thursday, February 04, 2016 9:19 AM  
**To:** Lynch, Kristen  
**Cc:** Ashcroft, Loron  
**Subject:** RE: Jicarilla Apache 14G

Hi Kristen,

XTO owns 100% of the working interest in the Mancos Zone. The decks can be kept the same as they are currently set up for other zones in the well. I will work on an interest memo for this soon. Please let me know if you need anything else.

Thanks

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**From:** Lynch, Kristen  
**Sent:** Tuesday, January 19, 2016 8:28 AM  
**To:** Kunc, Patrick; Ashcroft, Loron  
**Cc:** Johnson, Dee; Kardos, Kelly; Smith, Rhonda  
**Subject:** Jicarilla Apache 14G

Patrick,

I need to get decks set up for the Mancos Zone in the Jicarilla Apache 14G. The plan is to recomplete the Mancos and downhole commingle it with the other two existing zones. Let me know if you have any questions!

Thank You,

KRISTEN LYNCH  
REGULATORY ANALYST  
SAN JUAN DISTRICT OFFICE, WESTERN DIVISION  
382 CR 3100, AZTEC, NM 87-110  
OFFICE (505) 333-3206



XTO Energy jicarilla Apache Well No. 14G DHC percentages based on DHC 2273 Az

PoolNo	Gas%	Oil%
BASIN DAKOTA (PRORATED GAS)	76.00%	59.00%
BLANCO- MESAVERDE (PRORATED GAS)	24.00%	41.00%



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Trukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

Administrative Order DHC-3897

Lori D. Bingham  
XTO Energy Inc.  
270 Farmington Ave  
Building K, Suite 1  
Farmington, NM 87401

Jicarilla Apache Well No. 14G  
API No. 30-039-29658  
Unit K, Section 34, Township 26 North, Range 5 West, NMPM,  
Rio Arriba County, New Mexico  
WC Basin Mancos Gas (97232),  
Blanco-Mesaverde Prorated Gas (72319), and  
Basin-Dakota Prorated Gas (71599) Pools

Dear Ms Bingham:

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 production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

WC Basin-Mancos Gas Pool	Oil-40%	Gas-7%
Blanco-Mesaverde Prorated Gas Pool	Oil-20%	Gas-35%

Basin-Dakota Prorated Gas Pool	Oil-40%	Gas-58%
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These percentages shall be amended only with written permission of the Division.

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

Order approved at Santa Fe, New Mexico on May 30, 2007.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.  
Director

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