



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2953

Amoco Production Company

P.O. Box 3092

Houston, Texas 77253-3092

Attention: Ms. Cherry Hlava

Jicarilla "A" No. 8E

API No. 30-039-22897

Unit P, Section 17, Township 26 North, Range 5 West, NMPM,

Rio Arriba County, New Mexico.

Otero-Chacra (Gas - 82329),

Blanco-Mesaverde (Prorated Gas - 72319) and

Basin-Dakota (Prorated Gas - 71599) Pools

Dear Ms. Hlava:

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 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.

Production from the well shall be allocated as follows:

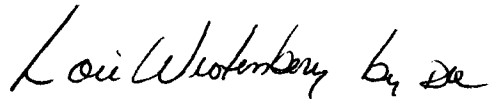
- (a) Subsequent to completion of production testing of the Otero-Chacra and Blanco-Mesaverde Gas Pools, the applicant shall consult with the Aztec District Office of the Division in order to establish a fixed allocation of production from each of these zones. After approval by the Aztec District Office, the applicant shall submit this allocation formula to the Santa Fe Office of the Division;

- (b) Oil and gas production from the Otero-Chacra and Blanco-Mesaverde Gas Pools shall be determined by subtracting the Basin-Dakota Gas Pool production (obtained from the production forecast submitted as an attachment to the downhole commingling application) from the well's monthly total oil and gas production;
- (c) Production from the Otero-Chacra and Blanco-Mesaverde Gas Pools shall then be calculated in accordance with the fixed allocation formula.

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 30th day of August, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

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