



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-1865-A

Order Date: 8/27/2008

Application Reference Number: pKVR0821755838

CHEVRON MIDCONTINENT, L.P.
15 Smith Road
Midland, TX 79705

Attention: ALAN W BOHLING

RINCON UNIT Well No. 057E
API No: 30-039-25185
Unit O, Section 1, Township 26 North, Range 7 West, NMPM
Rio Arriba County, New Mexico

| | | |
|--------|---------------------------------|-----------|
| Pool: | BASIN DAKOTA (PRORATED GAS) | Gas 71599 |
| Names: | BLANCO-MESAVERDE (PRORATED GAS) | Gas 72319 |
| | LARGO GALLUP (PRORATED GAS) | Gas 80000 |

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.

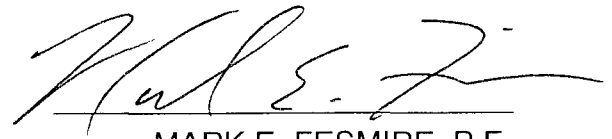
In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done based on subtraction. The newly completed Mesaverde production shall be the balance of the well production minus the established decline from the Dakota plus Gallup. The Dakota and Gallup production splits shall be as approved in Division Order DHC-1865 (18% Dakota gas and 82% Gallup gas).

REMARKS: The operator shall notify the Division's district office 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Director

MEF/wvjj

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