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-4081 Order Date: 8/27/2008 Application Reference Number: pWVJ0824054307

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

Attention: Alan W. Bohling

RINCON UNIT Well No. 134R
API No: 30-039-26982
Unit A, Section 12, Township 26 North, Range 7 West, NMPM
Rio Arriba County, New MexicoPool:BASIN DAKOTA (PRORATED GAS)Gas 71599
Gas 72319
Undesignated LARGO GALLUP (PRORATED GAS)

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.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 * Phone: (505) 476-3440 * Fax (505) 476-3462* <u>http://www.emnrd.state.nm.us</u> Administrative Order DHC-4081 CHEVRON MIDCONTINENT, L.P. 8/27/2008 Page 2 of 2

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

4 MARK E. FESMIRE, P.E.

Director

MEF/wvjj

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