



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-4172

Order Date: 4/6/2009

Application Reference Number: pKAA0907554387

BP AMERICA PRODUCTION COMPANY
PO BOX 3092,
Houston, TX 77253

Attention: Cherry Hlava, Regulatory Analyst

HUGHES COM Well No. 005E
API No: 30-045-25563
Unit M, Section 10, Township 28 North, Range 8 West, NMPM
San Juan County, New Mexico

Pool:	BASIN DAKOTA (PRORATED GAS)	Gas 71599
Names:	BLANCO-MESAVERDE (PRORATED GAS)	Gas 72319
	UNDESIGNATED OTERO CHACRA (GAS)	Gas 82329

Reference is made to your recent application for an exception to Rule 12.9A 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 12.11A., 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.

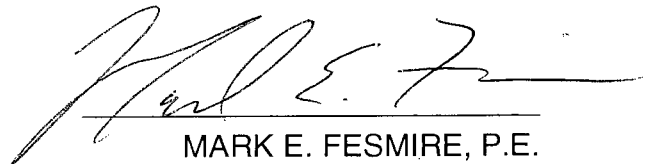
In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas for the Chacra shall be the remainder after subtracting Mesaverde and Dakota projected (declined) production.

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



Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over a horizontal line.

MARK E. FESMIRE, P.E.
Director

MEF/wvj

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