

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4785

Order Date: December 9, 2015

Application Reference Number: pMAM1534233039

BP AMERICAN PRODUCTION COMPANY
737 North Eldridge Parkway
Houston, Tx. 77079

Attention: Ms. Toya Colvin

Blanco A Well No. 1M
API No. 30-045-32441
Unit G, Section 36, Township 28 North, Range 8 West, NMPM
San Juan County, New Mexico

Pool	OTERO CHACRA (GAS)	Gas	(82839)
Names:	BLANCO-MESAVERDE (PRORATED GAS)	Gas	(72319)
	BASIN DAKOTA (PRORATED GAS)	Gas	(71599)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Rule 19.15.12.11A. (6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the subject well shall be based on the analysis of the historical production from the Otero Chacra (Gas) formation. Further, the Blanco-Mesaverde (Prorated Gas) and Basin Dakota (Prorated Gas) formations allocation percentages are the based on Order No. DHC 1755 AZ. The final allocation of percentages will then be based on production of the three zones after commingling all zones.

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

OTERO CHACRA (GAS) Pool	Pct Oil: 36	Pct Gas: 36
BLANCO-MESAVERDE (PRORATED GAS) Pool	Pct Oil: 50	Pct Gas: 50
BASIN DAKOTA (PRORATED GAS) Pool	Pct Oil: 14	Pct Gas: 14

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Aztec District office prior to implementation of the commingling operations.

This Order Supersedes Division Order DHC 1755AZ, issued on December 3, 2004.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington
Well File – 30-045-32441