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ARTESIA, OFFICE

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

October 23, 1980

Mr. Ralph L. Casey
P. O. Box 190
Artesia, New Mexico

Administrative Order No. NSP-1
Subject: Well No. 2S
Unit C 24-21S-24E
Dual--Penn Yates and Grayburg Jackson

Gentlemen:

Reference is made to your application for an exception to Rule 103-A of the Commission Rules and Regulations for the subject dual oil well to permit the removal of the bottom-hole pressure equipment and to commingle the production from both pools in the well-bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that approval thereof will not result in any reduction of ultimate recovery, nor will correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Commission Order No. NSP-1211, which authorized the dual completion and required segregation of the zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 20 barrels per day, and which unless production from the well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying the 60-day unit allowable for the Grayburg-Jackson pool.

Management of allowable to the well and allocation of production from the well shall be on the following basis:

Yates zone: 42%
Grayburg zone: 58%

Pursuant to Rule 303-C-5, the commingling authority granted by this order may be terminated by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director