



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1349

Texaco Exploration & Production Inc.
205 E. Bender Blvd.
Hobbs, New Mexico 88240

Attention: Mr. Kirk W. Spilman

*Cooper Jal Unit Well No. 420, Unit G, Section 24, Township 24 South, Range 36 East,
Cooper Jal Unit Well No. 421, Unit J, Section 24, Township 24 South, Range 36 East,
Cooper Jal Unit Well No. 422, Unit N, Section 19, Township 24 South, Range 37 East,
All in Lea County, New Mexico
Jalmat Tansil Yates-Seven Rivers (33820) and
Langlie-Mattix Seven Rivers Queen Grayburg (37240) Pools*

Dear Mr. Spilman:

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 wells to commingle production from the subject pools in the wellbore.

It appearing that the subject wells qualify 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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 701.G.(4), the subject wells are hereby authorized to produce at capacity, provided however, the wells shall be maintained in a pumped off condition.

Assignment of allowable to the wells and allocation of production from the wells shall be on the following basis:

Subsequent to the completion of drilling operations on each of the subject wells, the applicant shall obtain a stabilized producing rate from the Jalmat Pool and from the total commingled producing stream within each of the subject wells. Langlie-Mattix Pool production shall be determined by subtracting Jalmat Pool production from the well's total commingled production. Fixed allocation percentages shall be determined utilizing the aforesaid production figures.

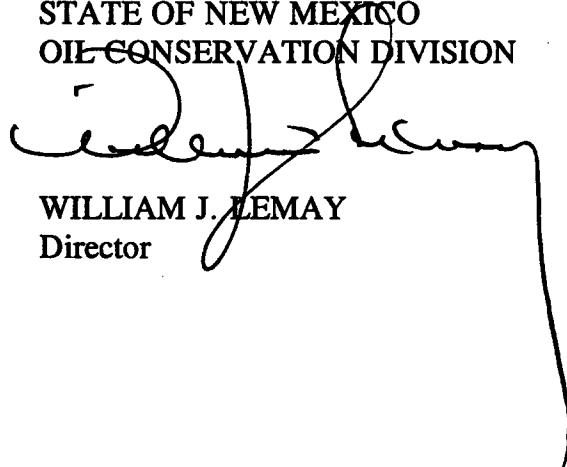
The applicant shall submit the production data and proposed fixed allocation percentages to the Santa Fe office of the Division for approval.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 4th day of September, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs