OIL CONSERVATION COMMISSION

P. O. BOX 2088 SANTA FE, NEW MEXICO

December 15, 1966

Sinclair Oil & Gas Company P. O. Box 1920 Hobbs, New Mexico 88240

Attention: Mr. W. F. Burns

Administrative Order PC-314

Gentlemen:

Reference is made to your application dated November 25, 1966, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Blinebry and Wantz-Abo production on your Elmer C. Hill Lease comprising the SE/4 SE/4 of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico, allocating the production to each of the two pools on the basis of periodic well tests. It is our understanding that the production from both pools on said lease is of marginal nature.

by the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," provided further, that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs

Oil & Gas Engineering Committee - Hobbs