



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-1665

CW

Mitchell Energy Corporation
P.O. Box 4000
The Woodlands, Texas 77387-4000

Attention: Mr. George Mullen

*Geronimo Federal Well No. 1
API No. 30-025-30645
Unit D, Section 31, Township 19 South, Range 33 East, NMPM,
Lea County, New Mexico.
Geronimo-Delaware (27400) and
Gem-Bone Spring (27220) Pools*

Dear Mr. Mullen:

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 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 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 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 187 B/D Gas 374 MCF/D Water 374 B/D

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

Geronimo-Delaware Pool	Oil 34%	Gas 34%
Gem-Bone Spring Pool	Oil 66%	Gas 66%

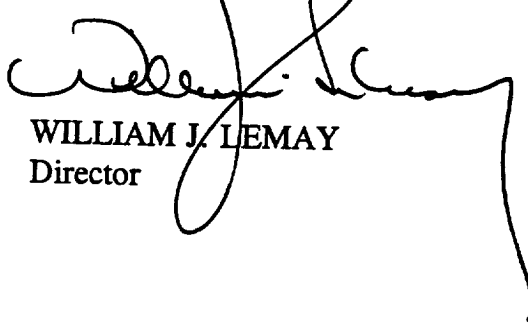
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 12th day of September, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs /
Bureau of Land Management-Carlsbad