Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Administrative Order DHC-4813 Order Date: April 4, 2017

Mewbourne Oil Company P.O. Box 7698 Tyler, Tx. 75711

Attention: Ms. Janet Burnes

Carter Well No. 3 API No. 30-025-32876 Unit D, Section 30, Township 20 South, Range 39 East, NMPM Lea County, New Mexico

| Pool | D-K; ABO | Oil | (15200) |
|--------|------------------------|-----|---------|
| Names: | D-K; DRINKARD | Oil | (15390) |
| | TUBB OIL AND GAS (OIL) | Oil | (60240) |

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 for the D-K; Drinkard and D-K; Abo Pools be based on estimated ultimate recovery of the two pools. The assignment allowable and allocation of oil and gas production for these Tubb Oil and Gas (Oil) Pool shall be based on actual production.

Administrative Order DHC-4813 Mewbourne Oil Company April 4, 2017 Page 2 of 2

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

| D-K; ABO Pool | Pct Oil: 39 | Pct Gas: 34 |
|-----------------------------|-------------|-------------|
| D-K; DRINKARD Pool | Pct Oil: 39 | Pct Gas: 33 |
| TUBB OIL AND GAS (OIL) Pool | Pct Oil: 22 | Pct Gas: 33 |

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

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

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 – Hobbs District Office Well File – 30-025-32876