



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

**AMENDED ADMINISTRATIVE ORDER DHC-16
(CORRECTED)**

Apache Corporation
2000 Post Oak Blvd.
Suite 100, Rm. 358A
Houston, Texas 77056-4400

Attention: Ms. Frances M. Byers

*State "C" Tract 12 No. 3
API No. 30-025-06625
Unit E, Section 16, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Oil - 6660),
Tubb Oil & Gas (Oil - 60240),
Penrose Skelly-Grayburg (50350), and
Drinkard (Oil - 19190) Pools*

Dear Ms Byers:

Reference is made to your recent application for an amendment to Division Order No. DHC-16 dated December 30, 1969, which order authorized the downhole commingling of Drinkard and Blinebry Pool production within the wellbore, to add the Penrose Skelly-Grayburg and Tubb Oil and Gas Pools as additional commingled zones in the well.

It appearing that the subject well qualifies for approval for such amendment 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 well are hereby established as follows:

Oil 80 B/D

Gas 800 MCF/D

Water 160 B/D

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

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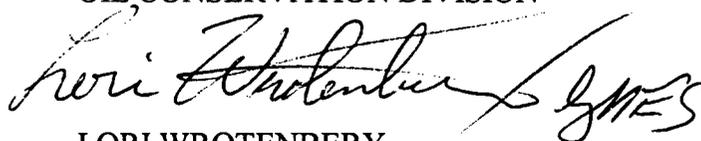
Blinebry Oil & Gas Pool	Oil-4%	Gas-17%
Tubb Oil & Gas Pool	Oil-7%	Gas-48%
Penrose Skelly-Grayburg Pool	Oil-36%	Gas-23%
Drinkard Pool	Oil-53%	Gas-12%

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 3rd day of June, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs
State Land Office-Oil & Gas Division