



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

February 23, 1970

Gulf Oil Corporation  
P. O. Box 670  
Hobbs, New Mexico 88240

Attention: Mr. C. D. Borland

Administrative Order No. DHC-37  
Scarborough Estate Well No. 7  
Unit K of Section 31, Township 22  
South, Range 38 East, NMPM, Blinbry  
and South Brunson - Ellenburger

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both 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 down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Commission Order No. R-2435, 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, total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the South Brunson-Ellenburger.

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

Upper Pool: 40%  
Lower Pool: 60%

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Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/JEK/og

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs