OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

June 7, 1976

Exxon Company
P. O. Box 1600
Midland, Texas 79701

Attention: R. W. Bowdon

> Administrative Order No. DHC-195
> N. G. Penrose Well No. 3, Unit G,
> Section 13, Township 22 South,
> Range 37 East, NMPM, Lea County,
> Drinkard and Wantz-Granite Wash Pools

Gentlemen: (30-025-24990)

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 well-bore.

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-5044, 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 2000 by top unit allowable for the Wantz-Granite Wash Pool.

Exxon Company
-2-

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

Upper Pool: 91%
Lower Pool: 9%

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granted by this order may be rescinded by the Secretary-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,

JOE D. RAMEY
Secretary-Director

JDR/CU/og

cc: Oil Conservation Commission
Box 1980
Hobbs, New Mexico