



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

January 23, 1978

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

Attention: Eddie M. Mahfood

Administrative Order No. DHC-232
Federal CZ Well No. 1, Unit B
Section 8, Township 18 South, Range 25
East, NMPM, Eddy County, New Mexico

Eagle Creek Permo-Pennsylvanian Gas and
Richard Knob Atoka-Morrow Gas Pools

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 downhole 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 Commission Order No. R-5460, 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.

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

Upper Pool:	Gas 57%	Condensate 86%
Lower Pool:	Gas 43%	Condensate 14%

Pursuant to Rule 5 of Commission Order No. R-5460, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.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/jr