



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

March 17, 1978

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Attention: C. Harvey Carr

- Checkboxes for GWS, KWH, CHC, BLC, WLH, WET, Copy To Ft. Worth, FILE with handwritten dates and initials.

Re: Administrative Order No. DHC-237
State BD Well No. 1, located in
Unit J, Section 36, Township 22 South,
Range 37 East, NMFM, Lea County,
New Mexico

Blinebry Oil & Gas and Tubb 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 well to permit the commingling of 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 downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 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 Tubb Gas Pool.

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

Upper Pool: Oil 25% Gas 25%
Lower Pool: Oil 75% Gas 75%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director, if in his opinion, conservation is not being best served by such commingling.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