



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

October 30, 1979

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 875  
(505) 827-2434

Shell Oil Company  
P. O. Box 991  
Houston, Texas 77001

Attention: R. L. Easterwood

Administrative Order No. DHC-301  
Smith Well No. 2, Unit B, Section  
14, Township 21 South, Range 37  
East, NMPM, Lea County, New Mexico,  
Blinebry Oil and Gas Pool and  
Drinkard Pool

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject well to permit the commingling of 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 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 4000 by top unit allowable for the Blinebry Oil and Gas Pool.

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

Upper Pool: Oil 67%, Gas 80%  
Lower Pool: Oil 33%, Gas 20%

DHC-301

-2-

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY

Division Director

JDR/CU/og

cc: Oil Conservation Division  
Box 1980  
Hobbs, New Mexico