



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

October 7, 1980

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

Re: Administrative Order No. DHC-324
Grizzell Deep Well No. 1, Unit N,
Section 5, Township 22 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 down-hole 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:

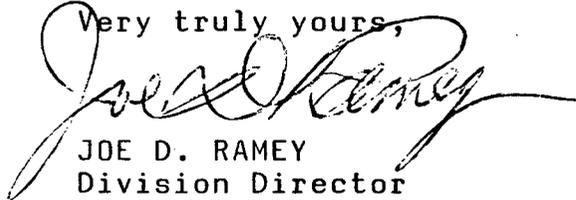
Upper Pool: Oil 83%, Gas 100%
Lower Pool: Oil 17%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his

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opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in cursive script, reading "Joe D. Ramey". The signature is written in black ink and is positioned above the typed name and title.

JOE D. RAMEY
Division Director

JDR/CU/og

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico