

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE

March 17, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) B27-2434

Petro Lewis Corporation P. O. Drawer 937 Levelland, Texas 29336

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Administrative Order No. DHC-333 L. G. Warlick "B" No. 2 - Unit G, Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, Blinebry Oil and Gas, Drinkard Pools

Gentlemen:

Reference is made to your application for an exception to Rule 303-A of the Division 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.

After objection to the application was received from Mr. O. F. Hedrick, Jr., the matter was set for hearing as Case No. 7051 and continued on several occasions. Mr. Hedrick withdrew his objection on February 25, 1981, and Case No. 7051 was dismissed by Order No. R-6616 on March 6, 1981. The original application may now be processed administratively.

It appearing that the subject well now qualifies for approval for exception to Rule 303-A 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 and Division Order No. MC-2682 which authorized the triple completion of the well in the Penrose Skelly, Blinebry and Drinkard Pools and required separation of the zones, is hereby placed in abeyance. The Penrose-Skelly and Paddack shall continue to be produced separately. The Drinkard, which had formerly been approved as part of the triple completion, but allandoused in favor of the Blinebry, will be selectivated and bommingled with the Blinebry of Rule 303-C, total commingled in accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 6,000 by top unit allowable for the Drinkard Pool.

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

Upper Pool: 95%, Oil 88% Gas (B) Lower Pool: 5%, Oil 12% Gas (Dr)

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/DSN/og

cc: Oil Conservation Division

Box 1980

Hobbs, New Mexico