



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

July 28, 198

Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

Re: Administrative Order No. DHC-341
Harry Leonard (NCT-F) No. 1
Unit R, Section 2, Township 21
South, Range 37 East, Tubb and
Drinkard Pool, Lea County, N. Mex.

Gentlemen:

Reference is made to your recent 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.

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 142 barrels per day, and total water production from the well shall not exceed 284 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 Pool.

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

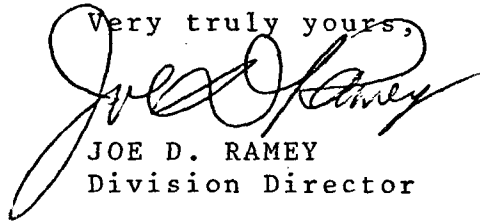
Upper Pool:	Oil 50%	Gas 30%
Lower Pool:	Oil 50%	Gas 70%

Pursuant to Rule 303-C 5, the commingling authority granted by

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this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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,

A handwritten signature in cursive script, appearing to read "Joe D. Ramey". The signature is written in dark ink and is positioned above the typed name and title.

JOE D. RAMEY
Division Director

JDR/RJ/og

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico