



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

October 16, 1981

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

Marathon Oil Co.
P. O. Box 552
Midland, Texas 79702

Administrative Order No. DHC-348
J. W. Grizzell Well No. 3,
Unit O, Section 5, Township 22
South, Range 37 East, Lea County
Brunson Fusselman and Cary Montoya
Pools

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 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 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 50 barrels per day, and total water production from the well shall not exceed 100 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 Cary Montoya.

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

Upper Pool: Oil 15%, Gas 15%
Lower Pool: Oil 85%, Gas 85%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

RJ/og

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
OCD Machine Accounting