STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

May 17, 1982

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

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

Attention: Mr. A. J. Fore, Supervisor

> Administrative Order No. DHC-361
> Livingston Well No. 13, NE/4 SE/4
> Sec. 4, T-21-S, R-37-E, NMPM,
> Lea County, New Mexico
> Blinebry Oil and Gas and Drinkard
> 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 and Division Order No. MC-2865, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.
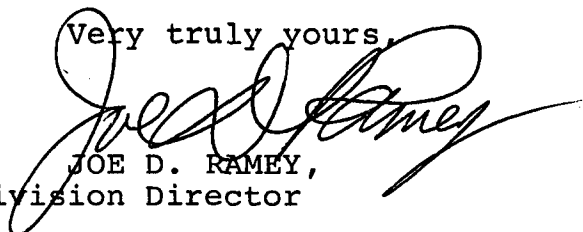
In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined 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 75%, Gas 100%
> Lower Pool: Oil 25%, Gas   0%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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