



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

January 20, 1983

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

Administrative Order No. DHC-386

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

Attention: A. J. Fore

Re: Sarkeys Well No. 2, NE/4 SW/4
Sec. 23, T-21-S, R-37-E, NMPM,
Lea County; Tubb Oil and Gas
and Drinkard Oil 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 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-2078 which authorized the multiple completion and required separation of the two zones, is hereby placed in abeyance.

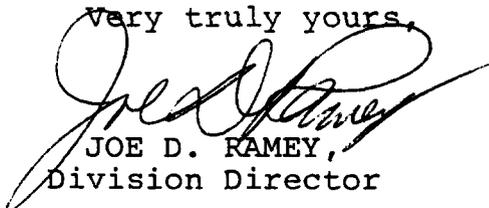
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Tubb Oil & Gas Pool.

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

Upper Pool: Oil 46%, Gas 80%
Lower Pool: Oil 54%, Gas 20%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

A handwritten signature in cursive script, appearing to read "Joe D. Ramey", written in black ink. The signature is fluid and somewhat stylized, with a large initial "J" and a long, sweeping underline that extends to the right.

JOE D. RAMEY,
Division Director