



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

May 3, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-400

Amerada Hess Corporation
P. O. Drawer "D"
Monument, New Mexico 88265

Attention: Randall L. Howell,
Assoc. Petroleum Engineer

Re: Eugene Wood No. 10, Unit H,
Sec. 22, T-22-S, R-37-E,
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 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. R-316 dated April 30, 1958, which authorized the dual 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 condensate 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

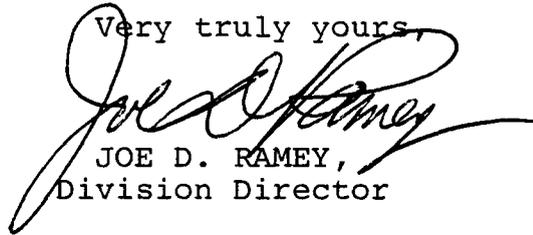
be determined by standard New Mexico gas proration procedures as reflected in the gas proration schedule.

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

Upper Pool: Condensate 59%, Gas 39%
Lower Pool: Condensate 41%, Gas 61%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 black ink, appearing to read "Joe D. Ramey", written over the typed name and title.

JOE D. RAMEY,
Division Director