



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

July 13, 1983

TONEY ANAYA  
GOVERNOR

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

Administrative Order No. DHC-404

Mr. Jack Markham  
Suite 1212  
1500 Broadway  
Lubbock, Texas 79401

Re: J. Markham State "36" Well No. 1  
Unit I, Sec. 36, T-21-S, R-36-E  
Lea County, New Mexico, Drinkard  
and Blinebry Oil and Gas Pool

Gentlemen:

Your recent application for an exception to Rule 303-A of the Division Rules and Regulations permitting the wellbore commingling of production from two pools has been reviewed.

Based on the submitted data, it appears the subject well qualifies for downhole commingling with no apparent damage to the reservoir, no violation of correlative rights, and no waste of hydrocarbons from such approval. You are hereby authorized to commingle production from the Drinkard and Blinebry Oil and Gas Pools pending verification of the following:

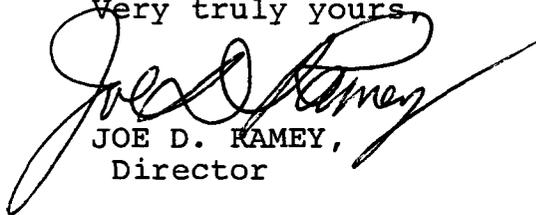
1. A producing rate test of the Blinebry Pool to establish an allocation formula. The length of the test will be specified by the Hobbs District Office.
2. A pressure test of the Blinebry Pool by means of a fluid level calculation or some other acceptable method.

In accordance with the provisions of rule 303.C.4, total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production from the well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying a GOR of 4,000 by top unit allowable for the Blinebry Oil and Gas Pool.

Assignment of allowable to the well shall be determined after completing and producing the Blinebry Oil and Gas Pool. Calculated pool allocation figures and pressure tests should be reviewed and accepted by the Hobb's district office before forwarding them to this office. Tests should be completed and filed with this office within 30 days after completing the Blienbry Pool.

Pursuant to Rule 303-C5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being served by such commingling.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,  
Director

cc: Gilbert P. Quintana