



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

August 17, 1983

TONEY ANAYA  
GOVERNOR

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

Administrative Order No. DHC-416

Morris R. Antweil  
P.O. Box 2010  
Hobbs, NM 88240

Attention: Jerry Hillard

Re: Federal 7 Well No. 1, Unit D  
Section 7, T-21S, R-38-E, Lea  
County, New Mexico, Blinebry  
and Drinkard Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well 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.

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 4,000 by top unit allowable for the Blinebry.

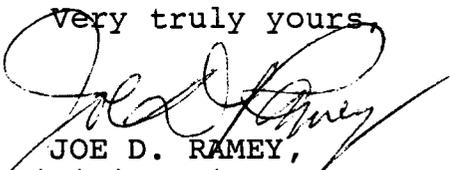
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool: Oil 81 %, Gas 100 %  
Drinkard Pool: Oil 19 %, Gas 0 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in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,



Handwritten signature of Joe D. Ramey in cursive script, written over the typed name and title.

JOE D. RAMEY,  
Division Director