STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 4, 1983

TONEY ANAYA
GOVERNOR

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

Administrative Order No. DHC-434

Amoco Production Co.
P. O. Box 68
Hobbs, New Mexico 88240

Attention: S. J. Okerson, District Supervisor

Re: State "C" Tract 12 Well No. 4,
1980' FNL and 3300' FEL of Sec.16
T-21-S, R-37-E, Lea County
Tubb 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 any administrative Division Order, which may have authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.
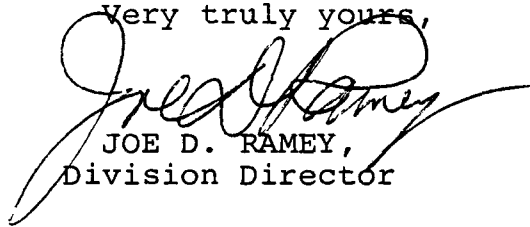
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the Tubb Oil Pool.

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

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Tubb Oil Pool:        Oil 64%, Gas 31%
Drinkard Pool:        Oil 36%, Gas 69%
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Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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,

JOE D. RAMEY,
Division Director