



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

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

Administrative Order No. DHC-472

Cities Service Oil & Gas
Corporation
P.O. Box 1919
Midland, Texas 79702

Attention: Elmer Startz

Re: Byers "B" Well No. 2
2080' FNL & 1980' FEL,
Sec. 7, T-20S, R-38E,
West Nadine Drinkard
and West Nadine Blinebry
Pools, Lea County, NM

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.

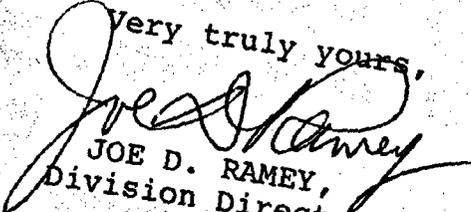
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production from the well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined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

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

West Nadine Blinebry Pool: Oil 20 %, Gas 20 %
West Nadine Drinkard Pool: Oil 80 %, Gas 80 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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