STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

September 21, 1984

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

Administrative Order No. DHC-518

Texaco USA
P. O. Box 728
Hobbs, New Mexico 88240

Attention: J. A. Schaffer

Re: New Mexico State "BZ" State
NCT-10, Unit L, Sec. 1,
T-25-S, R-37-E, Lea County
Justis Blinebry and Justis
Tubb 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 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 6,000 by top unit allowable for the Justis Blinebry Pool.

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

Justis Blinebry Pool: Oil 42%, Gas 99%
Justis Tubb Drinkard Pool: Oil 58%, Gas 01%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

R. L. STAMETS,
Acting Director