



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

December 1, 1986

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

Administrative Order No. DHC-632

Boyd & McWilliams
704 Western United Life Building
Midland, Texas 79701

Attention: Toby McWilliams

Re: Empire Federal Well No. 1, Unit G,
Section 6, T-17-S, R-29-E, NMPM,
Eddy County, New Mexico
Cave Grayburg-San Andres and Undesignated
East Red Lake Queen-Grayburg 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 and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

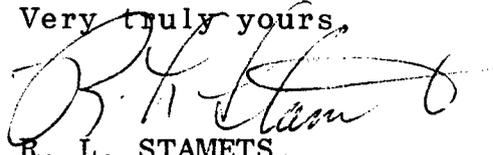
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production from the well shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the Cave Grayburg San Andres Pool.

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

Grayburg-San Andres Pool: Oil 35%, Gas 76%
Queen-Grayburg Pool: Oil 65%, Gas 24%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

cc: Gas Co. of N.M.
OCD District Office - Artesia