

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



March 24, 1987

GARREY CARRUTHERS
GOVERNOR

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

Administrative Order No. DHC-641

Petro Lewis Corporation
P. O. Box 90500
Houston, Texas 77290

Attention: Terry Holzwarth

Re: Warlick "A" No. 2 Well, Unit J, (30-025-06666)
Sec. 19, T-21 South, Range 37 East,
NMPM, Lea County, New Mexico
Blinebry, Drinkard and Paddock 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 all three 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.

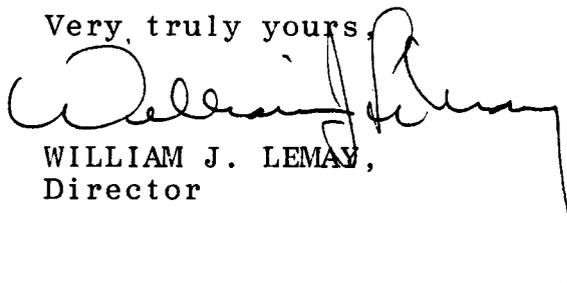
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject pools shall not exceed 40 barrels per day, and total water production from the subject pools shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable as printed in the Division's Southeast Gas Proration Schedule.

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

Paddock Pool: Oil 70%, Gas 36%
Blinebry Pool: Oil 0%, Gas 41%
Drinkard Pool: Oil 30%, Gas 23%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

A handwritten signature in cursive script, appearing to read 'William J. Lemay', written in black ink. The signature is positioned above the typed name and title.

WILLIAM J. LEMAY,
Director

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