



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

ADMINISTRATIVE ORDER DHC-695

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Petrus Oil Company, USA  
12377 Merit Drive  
Suite 1600  
Dallas, TX 75251

Attention: Stan Ward

State "D" Well No. 2  
Unit L, Section 11, Township 17 South,  
Range 33 East, NMPM, Lea County, New Mexico,  
Maljamar Grayburg-San Andres Pool and Sanmal-  
Queen Pool

Dear Mr. Ward:

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 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 2000 by the top unit allowable for the Sanmal-Queen Pool.

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

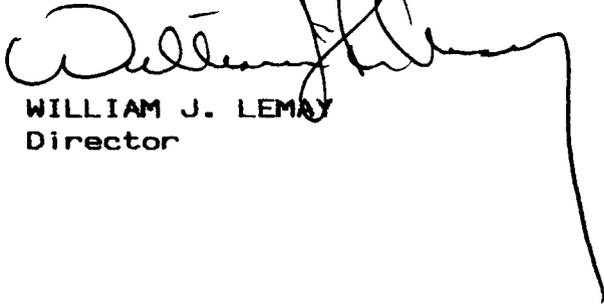
Maljamar Grayburg-San Andres Pool:	Oil	62.5%	Gas	21%
Sanmal Queen Pool:	Oil	37.5%	Gas	79%

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C-5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of July, 1988.

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WILLIAM J. LEMAY  
Director

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