



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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ADMINISTRATIVE ORDER DHC-756

EP Operating Company
Clay Desta National Bank Bldg.
Suite 5250
6 Desta Drive
Midland, TX 79705

Attention: William Dane Hendley

Lambirth No. 7
Unit P, Section 30, Township 5 South, Range 33 East, NMPM,
Roosevelt County, New Mexico.
South Peterson Penn and South Peterson Fusselman Pools

Dear Mr. Hendley:

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 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 50 barrels per day, and total water production shall not exceed 100 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 South Peterson Fusselman Pool.

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

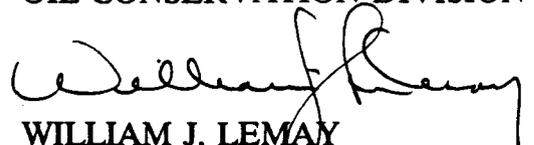
Penn Pool:	Oil	25%,	Gas	19%
Fusselman Pool:	Oil	75%,	Gas	81%

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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 February, 1990.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL