



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

GARREY CARRUTHERS
GOVERNOR

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

ADMINISTRATIVE ORDER DHC-774

Lanexco, Inc.
P.O. Box 2730
Midland, TX 79702

Attention: Mike Copeland

Cerro Com Well No. 1
Unit E, Section 11, Township 23 South, Range 27 East, NMPM, Eddy
County, New Mexico.
Cass Draw Wolfcamp and Wildcat Bone Spring Pools

Dear Mr. Copeland:

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 70 barrels per day, and total water production shall not exceed 140 barrels per day.

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

Wolfcamp Pool:	Oil	55%,	Gas	71%
Bone Spring Pool:	Oil	45%,	Gas	29%

Administrative Order DHC-774

Lanexco, Inc.

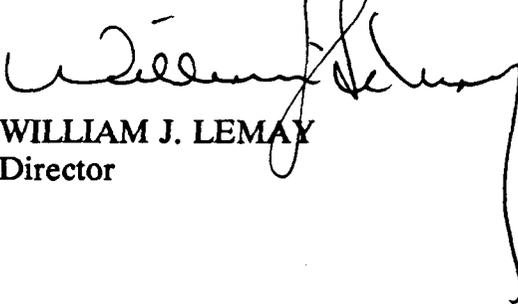
October 18, 1990

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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 18th day of October, 1990.

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A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long vertical stroke extending downwards from the end of the name.

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia