



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

BRUCE KING
GOVERNOR

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

ADMINISTRATIVE ORDER DHC-791

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: Larry M. Sanders

*Sims Well No. 3
Unit F, Section 24, Township 22S, Range 37E, NMPM, Lea County, New
Mexico.
Blinebry, Tubb and South Brunson Drinkard Abo Pools*

Dear Mr. Sanders:

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 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 40 barrels per day, and total water production 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 for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

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.

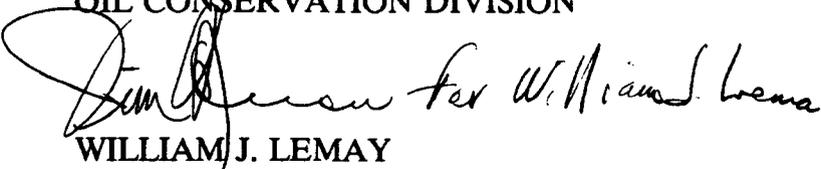
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The Director of the Division shall require the subject well to be shut in should the subject gas proration unit become overproduced in the Blinbry or Tubb Oil & Gas Pools in accordance with the terms and conditions of Rule 11 (b) (2) of the General Rules for the Prorated Gas Pools in New Mexico as promulgated by Order No. R-8170, as amended.

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 20th day of March, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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