

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-797

Bettis, Boyle and Stovall
P.O. Box 1240
Graham, TX 76046

Attention: Steven D. Gray

*Exxon Federal "8" Well No. 1
Unit A, Section 8, Township 25 South, Range 29 East, NMPM,
Eddy County, New Mexico.
Rustler Bluff-Morrow and Rustler Bluff-Atoka Gas Pools*

Dear Mr. Gray:

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 80 barrels per day, and total water production shall not exceed 160 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.

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

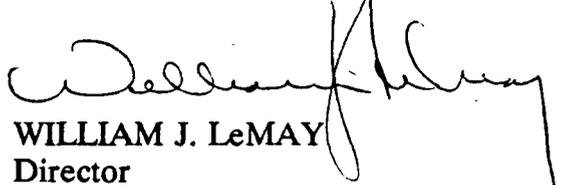
Atoka Pool	Oil	N/A	Gas	45%
Morrow Pool	Oil	N/A	Gas	55%

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Pursuant to Rule 303-C-5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 10th day of May, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY
Director

SEAL

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad