



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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CABINET SECRETARY

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

ADMINISTRATIVE ORDER DHC-889

John H. Hendrix Corporation
223 West Wall Street
Suite 525
Midland, TX 79701
Attention: Lee Wood

*Cossatot "B" Well No. 3
Unit N, Section 12, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico.
South Brunson Drinkard-Abo and Wantz Granite Wash Pools*

Dear Mr. Wood:

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 90 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:

South Brunson Drinkard Abo	Oil	20%	Gas	60%
Wantz Granite Wash	Oil	80%	Gas	40%

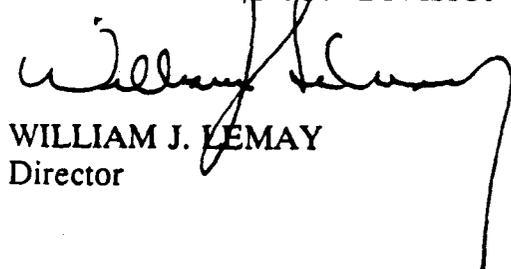
In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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 19th day of May, 1993.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

WJL/BES/amg

cc: Oil Conservation Division - Hobbs