

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



CORRECTED ADMINISTRATIVE ORDER DHC-1089

Samedan Oil Corporation
12600 Northborough, Suite 250
Houston, Texas 77067

Attention: Ms. Judy Throneberry

*Branex Federal Well No.1
Unit L, Section 12, Township 23 South, Range 37 East, NMPM,
Lea County, New Mexico.
Cline Tubb Associated and Cline Lower Paddock-Blinebry Pools*

Dear Ms. Throneberry:

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 30 barrels per day, and total water production shall not exceed 60 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 Cline Tubb Associated Pool.

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

Cline Tubb Associated Pool	Oil 33%	Gas 46%
Cline Lower Paddock-Blinebry Pool	Oil 67%	Gas 54%

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

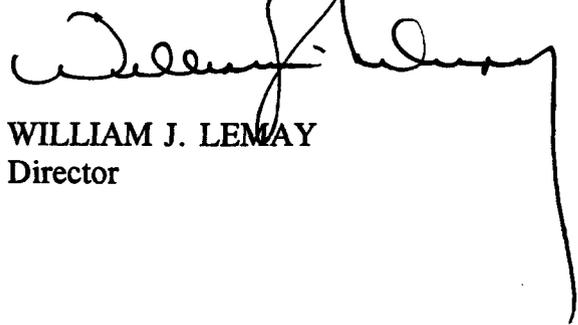
VILLAGRA BUILDING - 408 Gallisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7485

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

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 6th day of February, 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad