



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1417

Primal Energy Corporation
222 Pennbright
Suite 116
Houston, Texas 77090

Attention: Mr. John Abernethy

*Hale State Well No. 2
API No. 30-025-11405
Unit G, Section 2, Township 25 South, Range 37 East, NMPM,
Lea County, New Mexico.
Justis-Blinebry (34200),
Justis Tubb-Drinkard (35280),
North Justis-Devonian, and
North Justis-Fusselman (34790) Pools*

Dear Mr. Abernethy:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 107 B/D Gas 642 MCF/D Water 214 B/D

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

Justis-Blinebry	Oil 10%	Gas 69%
Justis Tubb-Drinkard	Oil 3%	Gas 15%
North Justis-Devonian	Oil 27%	Gas 4%
North Justis-Fusselman	Oil 60%	Gas 12%

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 9th day of December, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

by  Deputy Director
WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs
State Land Office-Oil & Gas Division