



**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-1418

Helmerich & Payne, Inc.
Utica at Twenty First
Tulsa, Oklahoma 74114

Attention: Mr. Chuck Coday

*R. E. Graham "7" Well No. 5
API No. 30-025-30786
Unit K, Section 7, Township 18 South, Range 32 East, NMPM,
Lea County, New Mexico.
North Young-Bone Spring (65350),
North Young-Wolfcamp (65590),*

Dear Mr. Coday:

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 230 B/D Gas 460 MCF/D Water 460 B/D

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

North Young-Bone Spring Pool	Oil 79%	Gas 72%
North Young-Wolfcamp Pool	Oil 21 %	Gas 28%

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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