

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4800-A
Order Date: April 4, 2017

Read and Stevens Inc.
P.O. Box 1518
Roswell, NM 88202

Attention: Mr. Rory McMinn

Toles Federal Well No. 1
API No. 30-005-60782
Unit O, Section 34, Township 15 South, Range 27 East, NMPM
Chaves County, New Mexico

Pool DIAMOND MOUND; STRAWN (Gas) Gas (96984)
Names: DIAMOND MOUND; UPPER PENN. (Gas) Gas (97223)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A, NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A, NMAC, and since 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A, (6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The assignment of allowable and allocation for the pools being commingled is based on well-log analysis.

Assignment of allowable and allocation of production from the well shall be as follows:

DIAMOND MOUND; UPPER PENN. (G) Pool	Pct Oil: 98	Pct Gas: 98
DIAMOND MOUND; STRAWN (G) Pool	Pct Oil: 2	Pct Gas: 2

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It is also understood that interests are identical in all spacing units being commingled.

REMARKS: The operator shall notify the Artesia District office prior to implementation of the commingling operations.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/wvjj

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Roswell Field Office
Well File – 30-005-60782