OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

October 17, 1963

Cima Capitan, Inc. P. O. Drawer 1343 Artesia, New Mexico

Attention: Mr. Louis C. Baker

Administrative Order CTB-111

Gentlemen:

Reference is made to your application dated September 20, 1963, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of production from your New Nextco State 636 Lease, New Nextco State 8-1111 Lease, and your New Nextco State 8-1969 Lease comprising the NW/4 SW/4 of Section 22, the NE/4 NE/4, S/2 NE/4, SE/4 NW/4, and SW/4 SW/4 of Section 22, and the W/2 NW/4, NE/4 SW/4, M/2 SE/4, and SW/4 SE/4 of Section 22, Township 17 South, Range 28 East, Red Lake Pool, Nedy County, New Nextco. It is our understanding that the ownership of all three leases is identical throughout, including Mayalty ownership, and that it is your intent to allocate preduction to each of the three leases on the basis of periodic well tests.

Under the authority granted me pursuant to Rule 309-B, Cima Capitan, Inc., is hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSE/esr

CC: Oil Conservation Commission (with enclosure) - Artesia Oil & Gas Engineering Committee - Nobbs State Land Office - Santa Fe

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