

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 22, 1964

Aztec Oil & Gas Company
P. O. Box 847
Hobbs, New Mexico

Attention: Mr. Lester L. Duke

Administrative Order PC-186

Gentlemen:

Reference is made to your application dated December 23, 1963, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Blinbry and Drinkard production from your State BD-36 Well No. 1, located in Unit J of Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the commingling of the production from these two pools was originally authorized by Commission Order No. R-1236, but that the production from both pools was top allowable at that time and said order required that each zone be separately metered prior to commingling; further, that the Drinkard zone was subsequently temporarily abandoned but has now been returned to production, and the production from both zones is now of marginal nature.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid well on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities"; and further, that you shall notify the Commission at such time as either of the aforesaid zones is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ASN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

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