

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 24, 1964

San American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

Attention: Mr. V. E. Staley

Administrative Order FC-232

Gentlemen:

Reference is made to your application dated August 4, 1964, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Deitchard and Blinobry production on your State "S" Lease comprising the N/2 NW/4 and the SW/4 NW/4 of Section 22, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Deitchard production and determining the Blinobry production by means of the subtraction method.

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 pools 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 provided further, that you shall notify the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. Foster, Jr.
Secretary-Director

ALF:DSH:ag

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