OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 23, 1965

Aztec Oil & Gas Company P. O. Box 837 Hobbs, New Mexico

Attention: Mr. Lester L. Duke

Administrative Order PC-291

Gentlemen:

Reference is made to your application dated July 7, 1965, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Drinkard and Blinebry production on your State "B" Lease which comprises the SE/4 of Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests.

By letter of October 26, 1965, you submitted a tabulation of production indicating that the Blinebry some has continuously declined and is indeed marginal as is the Drinkard. We can, therefore, now approve your proposed commingling installation without the requirement of separate measurement of the production prior to commingling.

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 any well in either of the aforesaid pools is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP: DSN:sg

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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE. NEW MEXICO

December 27. 1995

Aztoc od 8 Gas Company 1. O. Box 837 Holbs, New Maxico

Autention, Mr. Leston L. Duke

omenis**tvative Or**censkand Nomanis**tvative Or**censkand

Gentlement

Reference is rade to your application dated (ul) 7, 1560. An administrative approval of an exception to Release (a) of the Condesing Rules and Regulations to permit the comminquing of Brimard and bliming production on your State "B" bease which computes the SD/ϵ of Section 3%, Township 22 South, Range 17 Rast, bea Courth New Moxico, allocating the production on the basis of periodic call tests.

Evietter of October 25, 1835, you subside a cabulation of moduction is dicating that the Bilinebry zone has continuously decided and indeed marginal as is the Drinkard. We can, thevelore, now coprove you proposed commingling installation without the requirement of the production prior to commingling.

By the authority vested in me under the provisions of Julis 20 () of the Commission Rules and Regulations, you are sereby authorized by commingle the production from the afonessid pools on said lease in the above-leaching marner. Provided, however, that the insualisation half he operated in accordance with the provisions of the Commission Commission for the forther, that you shall notify the Commission at such ties as any civil sugather of the ricecsaid pools is capable of top cloveble production.

Vary tendy yours,

>, %, *ORTER, J ...
Secretary-Director

ALF: DSH: 30

oc: Oil Conservation Commission - Hobbs
Oil 5 Gas Engineering Committee - House
State Land Office - Santa Re