OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

April 6, 1967

Sunset International Petroleum Corporation 201 Wall Building, Suite 308 Midland, Texas 79701

Attention: Mr. M. M. Frazier

Administrative Order PC-320

Gentlemen:

Reference is made to your application dated March 27, 1967, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Morth Bagley-Middle Pennsylvanian and Morth Bagley-Lower Pennsylvanian production on your T. P. "A" State Lease comprising the 5E/4 of Section 10, Township 11 South, Range 33 East, Lea County, New Mexico, after separately metering the production from the North Bagley-Lower Pennsylvanian Pool and determining the Morth Bagley-Middle Pennsylvanian production by means of the subtraction method.

By 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," including the requirement for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

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

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9. F. FORTER, Or. Secretary-Liractor

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