OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

January 18, 1968

Windfohr Oil Company c/o Ralph L. Gray P. O. Box 198 Artesia, New Mexico

Administrative Order PC-343

Gentlemen:

Reference is made to your letter of Movember 28, 1967, requesting an exception to the Commission Rules and Regulations to permit producing the Grayburg zone of your Grayburg Jackson San Andres Unit Well No. 38, located in the NE/4 NE/4 of Section 12, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico, into the tank battery located in the SB/4 of Section 1, same township, which handles Grayburg production from the Square Lake Pool underlying your Jackson "B" Lease in the SE/4 of said Section 1. It is our understanding that the subject Well No. 38 was dually completed and equipped with two strings of tubing in order to segregate Grayburg and San Andres production, although they are in the same pool, because the San Andres zone only is unitized, and ownership of the two zones is therefor not common. We assume that the ownership of the Grayburg zone in the subject well is common with the Grayburg zone of the Jackson "B" Lease in Section 1.

Inasmuch as we have now received the consent of the United States Geological Survey to the commingling on a temporary basis, you are authorized, until April 1, 1968, to produce the Grayburg zone of the Grayburg Jackson San Andres Unit Well No. 38 into the Square Lake tank battery serving the Jackson "B" Lease in the SE/4 of Section 1, Township 17 South, Range 30 East, Eddy County, New Mexico. Provided however, that monthly tests of both zones in the aforesaid Well No. 38 shall be conducted, and the allowable attributed to each zone in Well No. 38 shall be on the basis of these tests and such other tests as the USGS may require. And provided further, that

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Vers to the Pours,

A. W. PORTUIR, as. Secretary-Wirector

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Mr. John M. Knierson Regional Oil and Gas substitison United States Geolotia, Norvey Brawer 1907 Roswell, New Merico