OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 8, 1968

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico

Attention: Mr. C. D. Borland

Administrative Order PC-346

Gentlemen:

Reference is made to your application dated April 3, 1968, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Drinkard and East Brunson McKee production on your O. I. Boyd Lease comprising the S/2 SW/4, ME/4 SW/4, and SW/4 SE/4 of Section 23, 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 production from each pool on said lease is 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 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/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs Oil & Gas Engineering Committee - Hobbs

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Administration Order 20-3-1

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