



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3279

L.E. Jones Operating, Inc.
PO Box 1185
Duncan, OK 73534

Attention: Dan W. Hammond

*McNeill Well No. 4
API No. 30-025-36542
Unit B, Section 4, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
Undesignated West Nadine-Paddock Blinebry (Oil-47400),
Undesignated West Nadine-Tubb (Oil 47530), and
Undesignated Nadine-Drinkard Abo (Oil-47510) Pools*

Dear Mr. Hammond:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C(1)(f), the allocated production from any prorated pool in the commingled wellbore shall not exceed the applicable allowable.

Assignment of allowable to the well and allocation of production from the well shall be as follows. These percentages shall be amended only with permission of the Hobbs District Office and copied in writing to the Division office in Santa Fe.

West Nadine-Paddock Blinebry Oil Pool	Oil-36%	Gas-18%
West Nadine-Tubb Oil Pool	Oil-5%	Gas-12%
Nadine-Drinkard Abo Oil Pool	Oil-59%	Gas-70%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 12th day of May 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOANNA PRUKOP
Acting Division Director

JP/wvjj

cc: Oil Conservation Division – Hobbs