



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

July 17, 1975

Damson Oil Corporation
P. O. Box 1845
Lake Charles, Louisiana 70601

Attention: Mr. John F. Davies

Administrative Order No. DHC-168
Saltmount Well No. 2, Unit O,
Section 21, Township 23 South,
Range 37 East, NMPM, Lea County,
New Mexico, Teague-Blaine and
Imperial Tubb-Drinkard.

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the well-bore.

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 down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Commission Order No. R-3458, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Imperial Tubb-Drinkard Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool: 11%
Lower Pool: 89%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/CU/og

cc: Oil Conservation Commission
Box 1980
Hobbs, New Mexico