



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
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SECRETARY

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SANTA FE, NEW MEXICO 87501
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October 19, 1979

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

Attention: J. L. Tweed

Administrative Order No. DHC-295
Jal Federal Well No. 2, Unit B,
Section 11, Township 25 South,
Range 37 East, NMPM, Lea County,
New Mexico, Justis-Blinebry and
Justis Tubb-Drinkard

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division 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 downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Division Order No. MC-1382, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.

It 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 6000 by top unit allowable for the Justis Tubb-Drinkard Pool.

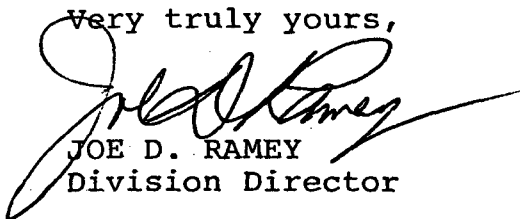
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

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Upper Pool: Oil 50%, Gas 43%
Lower Pool: Oil 50%, Gas 57%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY
Division Director

S E A L