

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

June 7, 1982

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDIN SANTA FE, NEW MEXICO 8750 (505) 827-2434

Gulf Oil Exploration and Production Company P. O. Box 670 Hobbs, New Mexico 88240

Attention: Mr. R. C. Anderson Production Manager

> Administrative Order No. DHC-363 J. F. Janda (NCT-F) Well No. 7 NE/4 SW/4, Sec. 4, T-22-S, R-36-E, NMPM, Lea County; Jalmat Tansill-Yates-Seven Rivers (Prorated Gas) and South Eunice Seven Rivers-Queen Pools

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 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 down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Division Order No. DC-483, 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-4, total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production from the well shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 10,000 by top unit allowable for the South Eunice Seven Rivers-Queen Pool.

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

Upper Pool: Oil 0%, Gas 97% Lower Pool: Oil 100%, Gas 3% Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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