



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

June 7, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Consolidated Oil & Gas, Inc.  
P. O. Box 2038  
Farmington, New Mexico 87401

Attention: Mr. Barney Jones, Drilling Foreman

Administrative Order No. DHC-365  
Cain Well No. 1-M, NE/4 SE/4,  
Sec. 25, T-31-N, R-13-W, NMPM,  
San Juan County, Undesignated  
Gallup and Basin-Dakota 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. MC-2769, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.

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

Upper Pool: Oil 90%, Gas 5%  
Lower Pool: Oil 10%, Gas 95%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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