

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

December 3, 1982

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

LARRY KEHOE SECRETARY

Administrative Order No. DHC-381

Union Texas Petroleum P. O. Box 808 Farmington, New Mexico 87401

Attention: Rudy D. Motto, Field Operations Manager

> Re: Navajo Indian "B" Well No. 5-M SW/4 NW/4 of Sec. 30, T-27-N, R-8-W, NMPM, San Juan County Blanco Mesaverde 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 downhole 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 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-2712 which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec district office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion. Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

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Ary truly yours, JOE D. RAMEY, pivision Director