



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 18, 1983

TONY ANAYA
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-407

EL PASO EXPLORATION COMPANY
P.O. Box 289
Farmington, NM 87401

Attention: G. W. Brink

Re: Mudge Well No. 4-A, 1015 feet FNL
and 1950 FWL, Unit C, Sec. 1,
T-31N, R-11W, San Juan County,
Blanco Pictured Cliffs and Blanco
Mesa Verde 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 downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and the Division Order which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

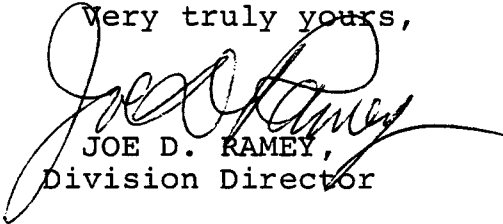
In accordance with the provisions of Rule 303.C.4., total commingled condensate production from the subject well shall not exceed 30 barrels per day, and total water production from the well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by the standard deliverability testing procedures applied to proration in the area.

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

Blanco Pictured Cliffs Pool:	Condensate 0 %, Gas 25 %
Blanco Mesa Verde Pool:	Condensate 100 %, Gas 75 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY,
Division Director