

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

July 18, 1983

TONEY ANAYA

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Administrative Order No. DHC-408

Sun Exploration Production Company 901 W. Wall P.O. Box 1861 Midland, Texas 79702

Attention: Coby Osborne

Re: Wimberly Well No. 3, Unit H, Sec. 23, T-25-S, R-37E, Lea County, Justis Blinebry and Justis Tubb/Drinkard 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 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 oil 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 multiplying 6,000 by top unit allowable for the Jusits Blinebry Pool.

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

Justis Blinebry Pool: Oil 63 %, Gas 97 % Justis Tubb/Drinkard: Oil 37 %, Gas 3 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Wery truly yours,

Division Director