



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

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

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: M. K. Mosley

Administrative Order No. DHC-423

Re: Sims Federal Well No. 1, 660' FSL
and 2130' FEL of Sec. 23, T-20-S,
R-38-E, Lea County, N.M.
Warren Tubb and Blinebry Oil
and Gas Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well 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.

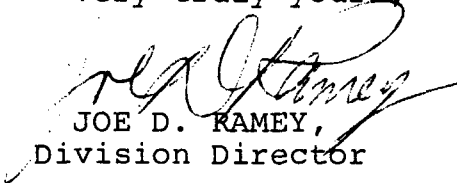
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the Warren Tubb Pool.

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

Blinebry Oil and Gas Pool:	Oil 61%, Gas 71%
Warren Tubb Pool:	Oil 39%, Gas 29%

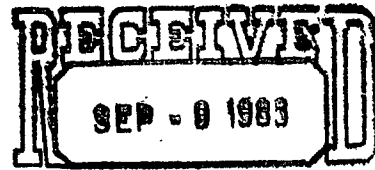
Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY,
Division Director

OIL CONSERVATION DIVISION
DISTRICT 1



OIL CONSERVATION DIVISION
SANTA FE

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE September 1, 1983

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed NSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc.	Sims Federal	No. 1-0	23-20-38
Operator	Lease and Well No.	Unit, S - T - R	

and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,

/mc