



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT .

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 6, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Amended Administrative Order No. DHC-510

Conoco, Inc.
P.O. Box 460
Hobbs, NM 88240

Attention: R.E. Irelan

Re: Warren Unit No. 78
Unit I, Section 20, Township 20 South,
Range 38 East, NMPM, Lea County, New Mexico
Warren Tubb, Blinebry Oil and Gas and Warren
Drinkard Pools

Gentlemen:

Reference is made to your recent application for an amendment to Administrative Order No. DHC-510, dated July 31, 1984, which authorized the downhole commingling of production from the Warren Tubb and Blinebry Oil and Gas Pools in the wellbore, to permit the addition at a third zone of production to be commingled in the wellbore.

It appearing that the subject well qualifies for amendment 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.

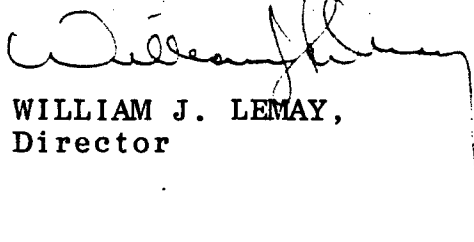
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the 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 Pool: Oil 28%, Gas 24%
Tubb Pool: Oil 42%, Gas 35%
Drinkard Pool: Oil 30%, Gas 41%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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



WILLIAM J. LEMAY,
Director

WJL/DRC/ag

cc: Gas Co. of N.M.
OCD District Office - Hobbs