

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA GOVERNOR

December 17, 1985

POST OFFICE 80X 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Administrative Order No. DHC-584

Sun Exploration and Production Company P. O. Box 1861 Midland, Texas 79702-9970

Attention: Dee Ann Kemp

Re: Eva Owens "A" No. 3, Unit K, Section 25, T-21-S, R-37-E, NMPM, Lea County, New Mexico Blinebry, Tubb and Drinkard 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 the three pools in the wellbore.

It appearing that the subject well qualifies for approval for such 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 below.

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 Tubb Oil and Gas Pool.

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

Blinebry Pool: Oil 43%, Gas 38% Tubb Pool: Oil 20%, Gas 36% Drinkard Pool: Oil 37%, Gas 26% Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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, R. L. STAMETS,

R. L. STAMETS Director

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