



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

May 20, 1988

Administrative Order No. DHC-693

Chevron USA, Inc.  
P.O. Box 670  
Hobbs, NM 88240

Attention: R.C. Anderson

Re: F.J. Danglade No. 2  
Unit N, Section 13, Township 22 South, Range 37 East,  
NMPM, Lea County, New Mexico  
Drinkard and Wantz Granite Wash 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 and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

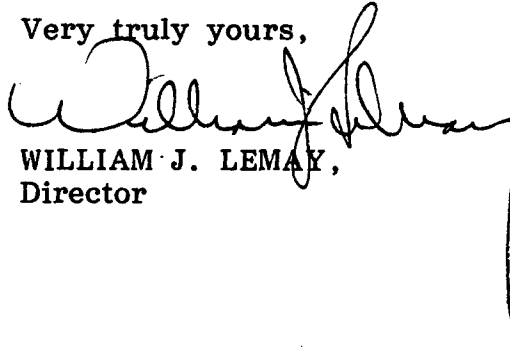
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Wantz Granite Wash Pool.

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

|                    |                  |
|--------------------|------------------|
| Drinkard Pool:     | Oil 23%, Gas 49% |
| Granite Wash Pool: | Oil 77%, Gas 51% |

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

A handwritten signature in dark ink, appearing to read 'William J. Lemay', with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY,  
Director

WJL/DRC/ag

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