



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

ADMINISTRATIVE ORDER DHC-697

E & P Operating Company
Clay Desta National Bank Building
Suite 5250
6 Desta Drive
Midland, TX 79705

Attention: W. D. Hendley

Pearl Jordan Well No. 3
Unit P, Section 17, Township 4 South, Range 33
East, NMPM, Roosevelt County, New Mexico.
North Peterson Pennsylvanian and Peterson
Mississippian Pools

Dear Mr Hendley:

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 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 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 60 barrels per day, and total water production shall not exceed 120 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 Peterson Mississippian Pool.

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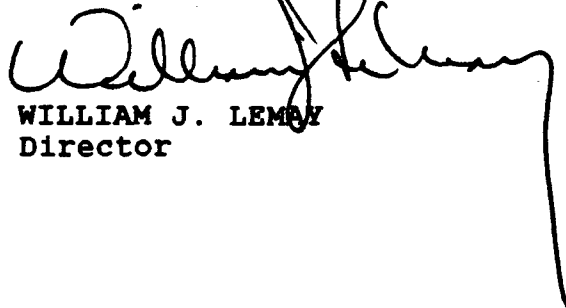
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Pennsylvanian Pool: Oil 50%, Gas 34%
Mississippian Pool: Oil 50%, Gas 66%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of August, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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