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-702

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

Attention: David L. Wacker

Lockhart B-13A No. 10

Unit B, Section 24, Township 21 South, Range 37

East, NMPM, Lea County, New Mexico.

Blinebry Oil & Gas, Drinkard and Wants Abo Pools

Dear Mr. Wacker:

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 all three 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 three 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 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 4000 by the top unit allowable for the Blinebry Oil & Gas Pool.

Order No. DHC-702 Page 2

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

Blinebry Pool: Oil 25%, Gas 24% Drinkard Pool: Oil 8%, Gas 19% Abo Pool: Oil 67%, Gas 57%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 14th day of September, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMA

Director

SEAL