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-706

John H. Hendrix Corporation 223 West Wall Street Suite 525 Midland, TX 79701

Attention: Ronnie H. Westbrook

Whitaker & Perkins No. 2 Unit C, Section 12, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. South Brunson Drinkard-Abo and Wantz Granite Wash Pools

Dear Mr. Westbrook:

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 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 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:

Granite Wash Pool: Oil 57%, Gas 17% Drinkard-Abo Pool: Oil 43%, Gas 83% Adminstrative Order DHC-706 October 7, 1988 Page No. 2

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 7th day of October, 1988.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION C

QQ WILLIAM J. LEMA

Director

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