



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

ADMINISTRATIVE ORDER DHC-746

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

Union Texas Petroleum
400 North Big Spring
Suite 500
Midland, Texas 79705

Attention: Gary R. Hendricks

Langlie "B" Well No. 1
Unit P, Section 14, Township 25 South,
Range 37 East, NMPM, Lea County, New Mexico
Justis-Blinebry and Justis-Tubb-Drinkard Pools

Dear Mr. Hendricks:

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 may qualify 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.

Production from the subject well during a 90-day commingled testing period shall not be restricted, provided however that if the commingled production subsequent to said 90-day period has not stabilized at a rate of 30 barrels of oil per day or less, 60 barrels of water per day or less, or 642 MCFG per day or less, the commingling authority granted herein shall terminate unless the applicant files an application for downhole commingling approval to be heard before a Division examiner.

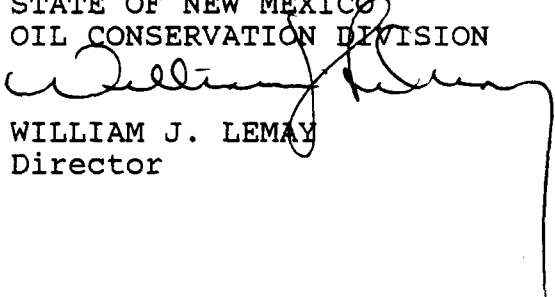
Should the production from the subject well stabilize at a rate within the limits as described above, the commingling authority granted herein shall remain in full force and effect.

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C-5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 6th day of December, 1989.

STATE OF NEW MEXICO
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WILLIAM J. LEMAY
Director