



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-760

Marbob Energy Corporation  
P.O. Drawer 217  
Artesia, NM 88210

Attention: David Martin

Pearsall "BX" Well No. 4  
Unit A, Section 34, Township 17 South, Range 32 East, NMPM, Lea  
County, New Mexico.  
Maljamar Grayburg San Andres and Pearsall Queen Pools

Dear Mr. Martin:

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 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 20 barrels per day, and total water production shall not exceed 40 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 Maljamar Grayburg San Andres Pool.

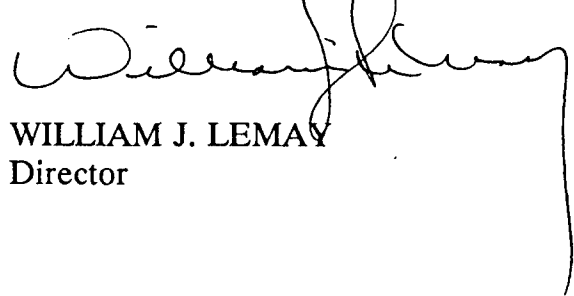
In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 9th day of July, 1990.

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A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM J. LEMAY  
Director

S E A L