



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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

**ADMINISTRATIVE ORDER DHC-981**

Samedan Oil Corporation  
12600 Northborough, Suite 250  
Houston, TX 77067-3299

Attention: Judy Throneberry

*Sarah "B" Well No. 1  
Unit P, Section 11, Township 23 South, Range 37 East, NMPM,  
Lea County, New Mexico.  
Cline-Tubb and Cline Lower-Paddock-Blinebry Pools*

Dear Ms. Throneberry:

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 40 barrels per day, and total water production shall not exceed 80 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 Cline-Tubb Pool.

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

Paddock-Blinebry Pool	Oil	55%	Gas	64%
Tubb Pool	Oil	45%	Gas	36%

*Administrative Order DHC-981*  
*Samedan Oil Corporation*  
*February 18, 1994*  
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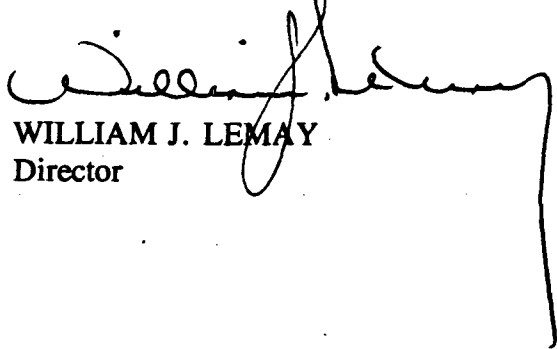
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FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 18th day of February, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/BES/amg

cc: Oil Conservation Division - Hobbs