



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1059

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

Attention: Judy Throneberry

*Sharp No. 1
Unit F, Section 12, Township 23 South, Range 37 East, NMPM,
Lea County, New Mexico.
Cline Lower Paddock-Blinebry and Cline-Tubb 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:

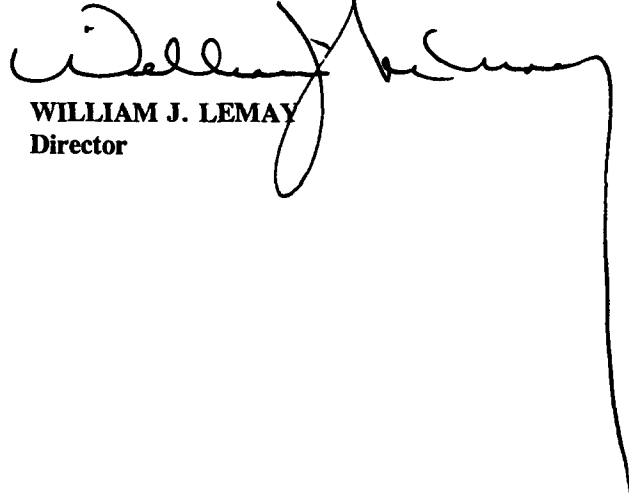
Lower Paddock-Blinebry Pool	Oil	50%	Gas	43%
Tubb Pool	Oil	50%	Gas	57%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

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Approved at Santa Fe, New Mexico on this 4th day of November, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DC/kv

cc: Oil Conservation Division - Hobbs