



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 27, 2005

James Bruce, Esq. Attorney for Latigo Petroleum, Inc.
W. Thomas Kellahin, Esq. Attorney for Texland Petroleum, LP
J.C. Stautberg, representative of Occidental Permian LP

RE: Administrative Order DHC-3086

Conoco State Well No. 3 API No. 30-025-35961

Unit J, Section 33, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico

Wildcat-Tubb Gas Pool and Hobbs-Drinkard (31730) Pool

Dear Sirs:

Reference is made to your September 2005 letter requesting this Division administrative order to be vacated. The Division has received a copy of this letter signed by each of you.

It is our understanding that a proper spacing unit for the Tubb was not obtained and that all production from this well is from the Tubb formation. Therefore, this downhole commingle permit is not proper and is not needed.

Accordingly, administrative order DHC-3086 is hereby vacated as of the date shown above. Production shall remain segregated by pool within this wellbore.

Sincerely,

MARK E. FESMIRE, PE
Director

MES/wvjj

Copies to:

Oil Conservation Division - Hobbs District
State Land Office - Oil, Gas, and Minerals Division

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