OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1361

Burlington Resources Oil & Gas Company P.O. Box 51810 Midland, Texas 79710-1810

Attention: Ms. Donna J. Williams

Mule Deer '36' State Well No.2
Unit G, Section 36, Township 22 South, Range 32 East, NMPM,
Lea County, New Mexico.
West Red Tank Delaware (51689) and
Red Tank Bone Spring (51683) Pools

Dear Ms. Williams:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

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Oil 230 B/D	Gas 460 Mcf/D	Water 460 B/D

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

West Red Tank Delaware Pool	Oil 50%	Gas 30%
Red Tank Bone Spring Pool	Oil 50%	Gas 70%

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.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 20th day of September, 1996.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

WILLIAM J. KAMAY

Director

SEAL

WJL/BES

cc: Oil Conservation Division - Hobbs

State Land Office - Oil & Gas Division