

ADMINISTRATIVE ORDER DHC-2366

Blake Production Company Inc. 3535 N. W. 58th Street Suite 1020 Oklahoma City, Oklahoma 73112

7.16-92

Attention: Ms. Debbie Vernon

Southeast Lea Unit No. 3 API No. 30-025-27898 Unit G, Section 26, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. Lea-Wolfcamp (Gas - 80060) and West Osudo-Morrow (Gas - 82240) Pools

Dear Ms. Vernon:

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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

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

5 suth eqst Lea Wolfcamp Gas Pool	Oil-1%	Gas-1%
West Osudo-Morrow Gas Pool	Oil 99%	Gas-99%

Administrative Order DHC-2366 Blake Production Company, Inc. July 1, 1999 Page 2

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 1st day of July, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

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cc: Oil Conservation Division - Hobbs State Land Office-Oil & Gas Division



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

AMENDED ADMINISTRATIVE ORDER DHC-2366

Blake Production Company Inc. 3535 N. W. 58th Street Suite 1020 Oklahoma City, Oklahoma 73112

Attention: Ms. Debbie Vernon

Southeast Lea Unit No. 3 API No. 30-025-27898 Unit G, Section 26, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. Southeast Lea-Wolfcamp (Gas - 80080) and West Osudo-Morrow (Gas - 82240) Pools

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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.

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The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

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

Southeast Lea Wolfcamp Gas Pool	Oil-1%	Gas-1%
West Osudo-Morrow Gas Pool	Oil 99%	Gas-99%

Amended Administrative Order DHC-2366 Blake Production Company, Inc. August 24, 1999 Page 2

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 conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of August, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

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cc: Oil Conservation Division - Hobbs State Land Office-Oil & Gas Division