



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3063

Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 79702

Attention: Ms. Angie Crawford

*Porfidio State Well No.1
API No. 30-025-35890
Unit M, Section 17, Township 20 South, Range 39 East, NMPM,
Lea County, New Mexico
Undesignated D-K-Drinkard (Oil 15390), and
Undesignated D-K-Abo (Oil 15200) Pools*

Dear Ms. Crawford:

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.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

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Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless amended by the Hobbs District Office and copied to this office.

Undesignated D-K-Drinkard Pool	Oil-55%	Gas-38%
Undesignated D-K-Abo Pool	Oil-45%	Gas-62%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 7th day of November 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (wvj)
LORI WROTENBERY
Director

LW/wvj

cc: Oil Conservation Division - Hobbs
State Land Office – Santa Fe