OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

August 3, 1964

Sinclair Cil & Gas Company P.O. Box 1920 Hobbs, New Mexico

Attention: Mr. Fred Burns

Administrative Order PC-219

Gentlemen:

Reference is made to your application dated July 10, 1964, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Drinkard and Blinebry oil production on your S. J. Sarkeys Lease, comprising the SE/4 of Section 23, Township 21 South, Range 37 East, Lea County, New Mexico, after separately metering the Blinebry production and determining the Drinkard production by means of the subtraction method.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Order No. R-1945, which previously authorized the commingling of Tubb Gas Fool distillates, Blinebry distillates, and oil production from the Wantz Abo and Drinkard Lools, is hereby put in abeyance.

Very truly yours,

A. L. Porter, Jr. Secretary-Director

ALP: DSN: sg

cc: Oil Conservation Commission - Hobbs

Oil & Gas Engineering Committee - Hobbs

Oil & Gas Accounting Commission - Santa Fe

Case File 2247