OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO

June 18, 1965

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico

Attention: Mr. C. D. Borland

Gentlemen:

Administrative Order PC-271

Reference is made to your application dated June 11, 1965, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of undesignated Blinebry and Arrowhead Drinkard production on your Harry Leonard (MCT-C) Lease comprising the N/2 and E/2 SW/4 of Section 36, Township 21 South, Range 36 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that all wells in both pools on said lease are of marginal nature.

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 Commission Pacilities," and provided further, that you shall metify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

Very truly yours.

A. L. Porter, Jr. Secretary-Director

ALP: DEN: sg

ce: Oil Conservation Commission - Hobbs Oil & Gas Engineering Committee - Hobbs