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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION
OF HEAFITZ ENERGY MANAGEMENT, INC.
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 9922

APPLICATION

COMES NOW the applicant Heafitz Energy Management, Inc., by and through its attorneys Montgomery & Andrews, P.A., and files this application for authority to commingle production from the Siluro-Devonian and Atoka formations in the wellbore of the Mexico "P" Federal Well No. 1, Lea County, New Mexico. In support of this application, applicant states:

1. Applicant Heafitz Energy Management, Inc. is the operator of the Mexico "P" Federal Well No. 1 located in the NW 1/4 of Section 21, Township 26 South, Range 35 East, Lea County, New Mexico. Applicant has completed said well in the Siluro-Devonian and Atoka formations. In each of these zones the W/2 is dedicated to this well.

2. Applicant, in order to increase the efficiency of operations of this property, seeks permission to commingle the production from these two zones in the wellbore of this well.

3. Applicant is currently testing these two zones separately to determine their relative producing capacities.

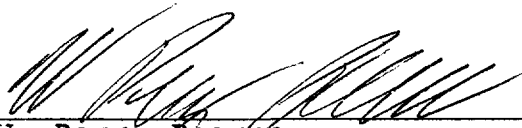
4. Applicant has provided written notice as required by Rule 1207 of the Division Rules and Regulations.

WHEREFORE, applicant requests that the Division, after notice and hearing of this matter, enter its order authorizing the downhole commingling of the Siluro-Devonian and Atoka formations in the wellbore of this well and requiring the applicant to work with the district supervisor of the Oil Conservation Division's Hobbs office to establish the appropriate allocation of production from this well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By



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