

(3) Where State and Federal lands are involved, applicant shall furnish evidence that the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Bureau of Land Management has consented to the proposed commingling.

C. DOWNHOLE COMMINGLING

(1) The Director of the Division shall have the authority to grant an exception to Rule 303-A to permit the commingling in the well bore of oil-oil, gas-gas, or gas-oil zones in a well when the following facts exist and the following conditions are met:

(a) For Wells Involving Oil Zones:

- (i) The total combined daily oil production from oil zones before commingling (as determined in accordance with Section D, paragraphs (4) and (5) below) does not exceed the following:

<u>Bottom perforation, lowermost pool</u>	<u>Bbls/day oil</u>
Less than 4,999 feet	20
5,000 feet to 5,999 feet	30
6,000 feet to 6,999 feet	40
7,000 feet to 7,999 feet	50
8,000 feet to 8,999 feet	60
9,000 feet to 9,999 feet	70
More than 10,000 feet	80

- (ii) Oil zones require artificial lift, or, both zones are capable of flowing. (Special consideration may be given to an exception to this latter requirement in the case in which a particular well's characteristics may justify same; however, the commingled production must be artificially lifted if either zone required artificial lift prior to commingling.)
- (iii) Neither zone produces more water than the combined oil limit as determined in paragraph (i) above.
- (iv) The fluids from each zone are compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which might damage either reservoir.
- (v) The total value of the crude will not be reduced by commingling.
- (vi) Ownership of the zones to be commingled is common (including working interest, royalty, and overriding royalty).
- (vii) The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled.

(b) For Wells Involving A Gas Zone:

- (i) That the commingling is necessary to permit a zone or zones to be produced which would not otherwise be economically producible.