



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 4, 1992

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Brian Collins

Re: Downhole Commingle Request
Stebbins "GQ" Federal No. 1

20-20-29

Dear Mr. Collins:

Reference is made to your request dated July 9, 1992, for authorization to downhole commingle Atoka/Morrow and Strawn production within the Stebbins "GQ" Federal Well No. 1 located in Section 20, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. According to data presented with your application, the bottomhole pressure within the Atoka/Morrow zone is 1079 psi, and the bottomhole pressure within the Strawn is 4710 psi. Please be advised that according to Division Rule No. 303 (C)(1)(b)(VI), this well does not qualify for administrative approval for downhole commingling inasmuch as the bottomhole pressure of the lower pressure zone is less than 50% of the bottomhole pressure of the higher pressure zone, adjusted to a common datum.

Please advise me at your earliest convenience whether you want to withdraw the application or set it for hearing before a Division Examiner.

Sincerely,

David Catanach
Engineer

xc: OCD-Artesia ✓