

ST ... OF NEW 5 SXICO

ENERGY AND INERALS DEPARTMENT

OIL CONSERVATION DIVISION

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BRUCE KING GOVERNOR LARRY KEHOE SECRETARY May 5, 1982

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O. C. D. ARTESIA, OFFICE

Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210

Attention: Eddie M. Mahfood, Petroleum Engineer

Administrative Order No. DHC-359 Stonewall EP State Com Well No. 4 SE/4 NE/4, Sec. 30, T-20-S, R-28-E, Eddy County West Burton Flat Atoka Gas -Burton Flat Morrow Gas Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool: Oil 100%, Gas 2% Lower Pool: Oil 0%, Gas 98%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

JOE D. RAMEY, Division Director