

Artes



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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GOVERNOR

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RECEIVED
JUL 27 1984
OIL CON. DIV.
DIST. 3

July 25, 1984

Administrative Order No. DHC-478

Merrion Oil & Gas Corporation
P.O. Box 1017
Farmington, NM 87499

Attention: Steve S. Dunn

Re: Salazar G 22-1, 1650 FSL,
and 925 FEL, Sec. 22, T-25N,
R-6W, Devils Fork Gallup and
Undesignated Mesaverde Pools,
Rio Arriba County, NM

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.

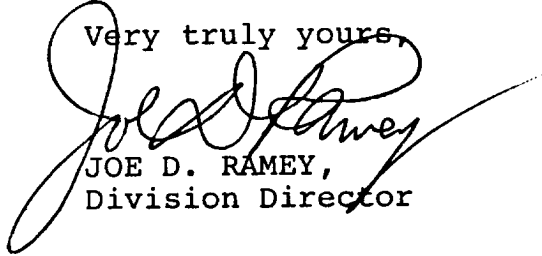
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Devils Fork Gallup Associated Pool..

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

Devils Fork Gallup Pool: Oil 60 %, Gas 67 %
Undesignated Mesverde Pool: Oil 40 %, Gas 33 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY,
Division Director