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STATE OF NEW MEXICO / ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

TONEY ANAYA

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87501 (505) 827-5800

July 17, 1984

Administrative Order No. DHC-475

Amoco Production Company 501 Airport Drive Farmington, NM 87401

Attention: S. D. Blossom

RECEIVED

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OIL CON. DIV.

Re: L. C. Kelly No. 4E, Unit D, Sec. 3, T-30N, R-12W, Basin-Dakota and Flora Vista Gallup Pools, San Juan County, NM

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well 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 condensateproduction 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 limited to the combined pool production from the latest GOR Test (120 Mcf/day).

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

Flora Vista Gallup Pool: Condensate 83 %, Gas 25 % Basin Dakota Pool: Condensate 17 %, Gas 75 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

JOE D. RAMEY,

Division Director

Very truly yours