



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

AMENDED ADMINISTRATIVE ORDER DHC-138

Bison Petroleum Corporation
c/o Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: Karen Aubrey

Stephens Estate Well No. 1
Unit L, Section 24, Township 21 South, Range 37
East, NMPM, Lea County, New Mexico.
Drinkard, Wantz-Abo & Blinebry Oil & Gas Pools

Dear Ms. Aubrey:

Reference is made to your recent application for an amendment to Administrative Order No. DHC-138, dated January 9, 1974, which authorized the downhole commingling of production from the Drinkard and Wantz-Abo pools in the wellbore, to permit the addition of a third zone of production to be commingled in the wellbore.

It appearing that the subject well qualifies for approval for such amendment 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 described above.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

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

Blinebry Pool:	Oil 10%,	Gas 70%
Drinkard Pool:	Oil 23%,	Gas 1%
Abo Pool:	Oil 67%,	Gas 29%

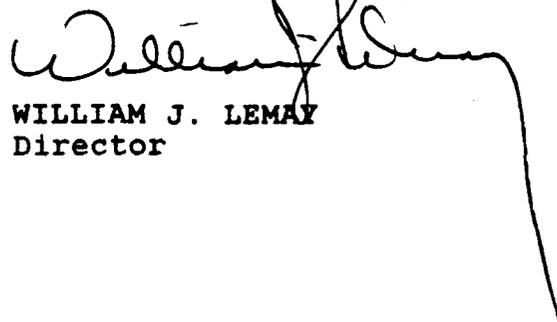
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The Director of the Division shall require the subject well to be shut-in should the subject gas proration unit become overproduced in the Blinbry Oil & Gas Pool in accordance with the terms and conditions of Rule 11(b)(2) of the General Rules for the Prorated Gas Pools in New Mexico as promulgated by Order No. R-8170, as amended.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of April, 1989.

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A handwritten signature in black ink, appearing to read "William J. Lemay", is written over the typed name. A long, thin vertical line extends downwards from the end of the signature.

WILLIAM J. LEMAY
Director

S E A L