

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 5, 1975

Shell Oil Company
P. O. Box 991
Houston, Texas 77001

Attention: Jack L. Mahaffey

Administrative Order No. DHC-161
State Sec. 2, Well No. 3, Unit
U, Section 2, Township 21 South,
Range 37 East, NMPM, Lea County,
New Mexico, Blhebry and Drinkard.

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject well and for permission to commingle the production from both pools in the well-bore.

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 down-hole 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, 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 6000 by top unit allowable for the Drinkard Pool.

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

Upper Pool: 33%
Lower Pool: 67%

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Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/CU/og

cc: Oil Conservation Commission
Box 1980
Hobbs, New Mexico

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