

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER PHIL R. LUCERO February 24, 1977



STATE GEOLOGIST EMERY C. ARNOLD

Texaco, Inc. P. O. Box 728 Hobbs, New Mexico 88240

Attention: J. V. Gannon

Administrative Order No. DHC-213, C. H. Lockhart Federal (NCT-1) Well No.
7, Unit B, Section 18, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, Blinebry Oil and Gas and Drinkard Pools.

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 to permit the commingling of 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, the supervisor of the Hobbs District Office of the Oil Conservation Commission shall determine the proper allocation of production from the well following its completion.

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.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

Oil conservation Commission - Hobbs