OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

July 25, 1977

Campbell & Hedrick P. O. Box 401 Midland, Texas 79701

Attention: Oley F. Hedrick, Jr.

Administrative Order No. DHC-230 W. E. Lee Well No. 2, Unit B, Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico

Tubb Gas and Drinkard Pools

Centlemen:

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, 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. OIL CONSERVATION COMMISSION P. O. BOX 2088 Campbell & Hedrick FE. NEW MEXICO 87501 July 25, 1977 -2-

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

Upper Pool: 011 72% Gas 45% Lower Pool: 011 28% Gas 55%

Pursuant to Rule 303-C.5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.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

CC:

011 Conservation Commission Box 1980 Hobbs, New Mexico 88240