

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

TONEY ANAYA

March 24, 1983

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

Administrative Order No. DHC-398

Gulf Oil Exploration and Production Company P.O. Box 670 Hobbs, NM 88240

Attention: R. L. Anderson

Productive Manager

Re: Alice Paddock Well No. 5

> NW/4 NE/4 Section 1, T-22-S, R-37-E, Blinebry

> Oil and Gas and Tubb Gas

Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and 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 and (Division Order No. DC-492) which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

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

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

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

Very truly yours

/JOE D. RAMEY, Division Director