



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

October 24, 1984

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

Administrative Order No. DHC-530

Union Texas Petroleum
P. O. Box 1290
Farmington, New Mexico 87499

Attention: Mr. J. A. Edmister, Engineering Analyst

Re: Newsom B Well No. 7-E, Unit K, Sec. 8,
T-26-N, R-8-W, NMPM, San Juan County

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 any Division Order which authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

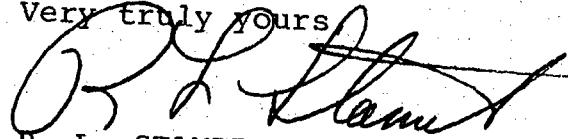
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the Undesignated Gallup zone shall be determined by multiplying 2,000 by top unit allowable for the Undesignated Gallup Pool and the maximum amount of gas which may be produced daily from the Basin-Dakota zone shall be determined by the Oil Conservation Division Rules and Regulations or by the San Juan Basin Proration Schedule.

In accordance with the provisions of Rule 303-C, the Supervisor of the Aztec District Office of the Oil Conservation

Division shall determine the proper allocation of production from the subject well.

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours

A handwritten signature in dark ink, appearing to read 'R. L. Stamets', written over a horizontal line.

R. L. STAMETS,
Acting Director