

50 YEARS



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 23, 1985



1935 - 1985

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

Administrative Order No. DHC-2992
Amended to Order No. DHC-556

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

Attention: Nevin L. Gates

Re: State CK Well No. 2, Unit K, Sec. 19, (30-025-06673)
T-21-S, R-37-E, NMPM, Lea County, N.M.
Blinebry and Drinkard Oil 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. R-2230 dated May 3, 1962, which authorized the triple completion of the Blinebry, Drinkard and Paddock Pools and required separation of the zones, is hereby placed in abeyance. Separation of the Paddock zone from the commingled Blinebry and Drinkard zones shall remain in effect.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject pools shall not exceed 40 barrels per day, and total water production from the pools shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the subject pools shall be determined by multiplying 4,000 by top unit allowable for the Blinebry Oil & Gas Pool.

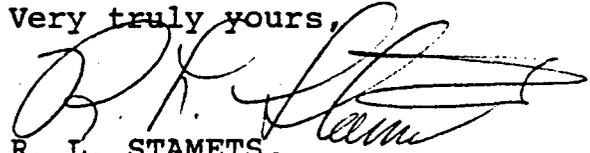
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Oil Pool: Oil 60%, Gas 43%

Drinkard Pool: Oil 40%, Gas 57%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 black ink, appearing to read 'R. L. Stamets', written over the typed name below.

R. L. STAMETS,
Director