

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

July 1, 1987

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

Administrative Order No. DHC-655

Texaco, Inc.
P.O. Box 728
Hobbs, NM 88240

Attention: K.L. Johnson, Area Superintendent

RE: A.H. Blinebry Federal (NCT-1) No. 39
Section 19, Township 22 South,
Range 38 East, NMPM, Lea County,
New Mexico.
Blinebry Oil & Gas and Drinkard 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 any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

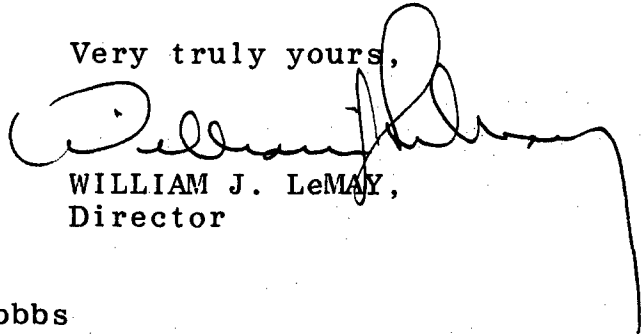
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or from the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

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

Blinebry Oil & Gas Pool:	Oil 66%, Gas 90%
Drinkard Pool:	Oil 34%, Gas 10%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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



WILLIAM J. LeMAY,
Director

cc: OCD District Office - Hobbs
US Bureau of Land Management - Roswell
NM Oil and Gas Engineering Committee - Hobbs