



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
505/827-5800

ADMINISTRATIVE ORDER DHC-737

Phillips Petroleum Company  
4001 Penbrook  
Room 401  
Odessa, TX 79762

Attention: Larry M. Sanders

New Well No. 1  
Unit A, Section 26, Township 20 South, Range 36 East, NMPM,  
Lea County, New Mexico.  
Eunice Monument Grayburg San Andres and Eumont Yates Seven  
Rivers Queen Pools

Dear Mr. Sanders:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle 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 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 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4500 by the top unit allowable for the Eunice Monument Grayburg San Andres Pool.

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

Grayburg San Andres Pool:	Oil 100%,	Gas 100%
Yates Seven Rivers Queen Pool:	Oil 0%,	Gas 0%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Administrative Order DHC-737  
Phillips Petroleum Corporation  
August 16, 1989  
Page 2

Approved at Santa Fe, New Mexico on this 14th day of August, 1989.

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A handwritten signature in cursive script, appearing to read 'William J. Lemay', written in dark ink.

WILLIAM J. LEMAY  
Director

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