



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-740

Petroleum Production Management, Inc.
P.O. Box 957
Crossroads, NM 88114

Attention: W. M. Groesbeck

State "8" Well No. 1
Unit A, Section 8, Township 10 South, Range 34 East,
NMPM, Lea County, New Mexico.
Vada Pennsylvanian and East Lane Abo Pools

Dear Mr. Groesbeck:

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 70 barrels per day, and total water production shall not exceed 140 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the East Lane Abo Pool.

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

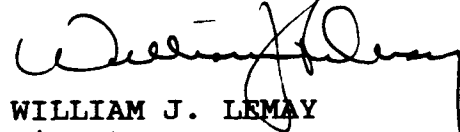
Abo Pool:	Oil 79%,	Gas 100%
Pennsylvanian Pool:	Oil 21%,	Gas 0%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

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Approved at Santa Fe, New Mexico on this 12th day of October, 1989.

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WILLIAM J. LEMAY
Director

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