



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



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GOVERNOR

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SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-1036

Texaco Exploration and Production, Inc.
P.O. Box 730
Hobbs, NM 88241-0730

Attention: Russell Pool

*Cooper Jal Unit Well No. 406
Unit H, Section 24, Township 24 South, Range 36 East, NMPM,
Lea County, New Mexico.
Jalmat and Langlie-Mattix Pools*

Dear Mr. Pool:

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 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 701-G-4., the subject well is hereby authorized to produce at capacity, provided however, the well shall be maintained in a pumped off condition.

Allocation of production from the subject well shall be determined as follows:

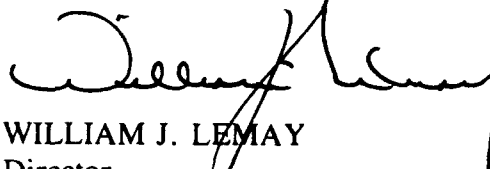
- (a) the applicant shall obtain a stabilized test rate from the Jalmat Pool prior to commingling;
- (b) the applicant shall obtain a stabilized test rate from both the Jalmat and Langlie-Mattix Pools after commingling; and

- (c) the applicant shall utilize the test data to determine the correct allocation of production from each zone. The applicant shall submit the test data and proposed allocation to both the Santa Fe and Hobbs offices of the Division.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 30th day of August, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/DRC/amg

cc: Oil Conservation Division - Hobbs