



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-1130**

Marathon Oil Company  
P.O. Box 552  
Midland, Texas 79702-0552

Attention: Mr. Thomas M. Price

*Dayton Hardy Well No.3  
Unit J, Section 20, Township 21 South, Range 37 East, NMPM,  
Lea County, New Mexico.  
Blinebry Oil & Gas and Drinkard Pools*

Dear Mr. Price:

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 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 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 Blinebry Oil & Gas Pool.

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

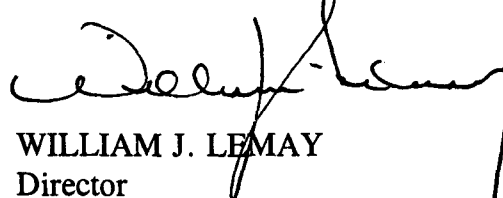
Blinebry Oil & Gas Pool	Oil 70%	Gas 78%
Drinkard Pool	Oil 30%	Gas 22%

**FURTHER:** The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 19th day of May, 1995.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs