

## OIL CONSERVATION DIVISION

## ADMINISTRATIVE ORDER DHC-1181

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

Attention: Mr. Gary T. Cothran

*Will '693' Ltd. Well No.3 (Lease No.NM 4039 B)  
Unit N, Section 34, Township 8 South, Range 35 East, NMPM,  
Roosevelt County, New Mexico.  
Milnesand Abo (46709) and Vada Penn (62456) Pools*

Dear Mr. Cothran:

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 80 barrels per day, and total water production shall not exceed 160 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 Milnesand Abo Pool.

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

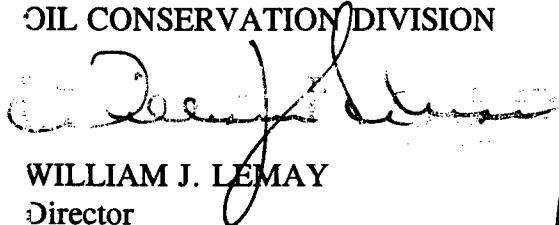
FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Validation of this authority shall be accomplished by like approval of the U.S. Bureau of Land Management.

Approved at Santa Fe, New Mexico on this 4th day of January, 1996.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs  
Bureau of Land Management - Carlsbad