OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1831

Texaco Exploration & Production Inc. 205 E. Bender Blvd. Hobbs, New Mexico 88240

Mr. Bobby McCurry

New Mexico "O" State NCT-1 No. 39
API No. 30-025-33569
Unit G, Section 36, Township 17 South, Range 34 East, NMPM,
Lea County, New Mexico.
Vacuum-Wolfcamp (Oil-62340) and,
Vacuum Upper-Penn (Oil-62320) Pools

Dear Mr. McCurry:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 355 B/D

Gas 710 MCF/D

Water 710 B/D

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

Vacuum-Wolfcamp Pool	Oil 84%	Gas 51%
Vacuum Upper-Penn Pool	Oil 16%	Gas 49%

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 27th day of February, 1998.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

LW/DRC

cc: Oil Co

Oil Conservation Division - Hobbs State Land Office-Oil & Gas Division