



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-1850

Conoco Inc.  
10 Desta Drive  
Suite 100W  
Midland, Texas 79705-4500

Ms. Kay Maddox

*SEMU Skaggs "B" No. 97  
API No. 30-025-25419  
Unit K, Section 23, Township 20 South, Range 37 East, NMPM,  
Lea County, New Mexico.  
Monument-Tubb (47090), and  
Weir-Drinkard (63840) Pools*

Dear Ms. Maddox:

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 222 B/D

Gas 2220 MCF/D

Water 444 B/D

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

Monument-Tubb Pool	Oil 61 %	Gas 19 %
Weir-Drinkard Pool	Oil 39 %	Gas 81 %

*Administrative Order DHC-1850*

*Conoco Inc.*

*March 23, 1998*

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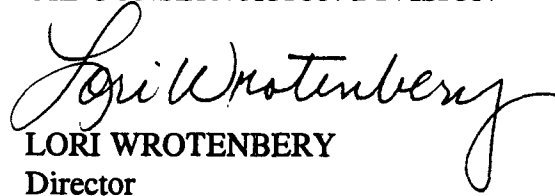
The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 23rd day of March, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY  
Director

S E A L

LW/DRC

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