

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4796

Order Date: September 22, 2016

Application Reference Number: pMAM1626530383

V-F Petroleum Inc.
P. O. 1889
Midland, Texas 79702

Attention: Mr. Eric Sprinkle

Humble Townsend Well No. 1
API No. 30-025-02767
Unit L, Section 9, Township 16 South, Range 35 East NMPM
Lea County, New Mexico

Pool	TOWNSEND; STRAWN	Oil (59848)
Names:	TOWNSEND; MORROW (GAS)	Gas (86400)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil and gas production from the subject well for the Townsend; Morrow Pool shall be based on the analysis of the historical production in the subject well. The allocation of oil and gas production from the subject well for the Townsend; Strawn Pool shall be based on production tests conducted during August 2016.

Assignment of allowable and allocation of production from the well shall be as follows:

TOWNSEND; STRAWN POOL	Pct. Oil: 100	Pct. Gas: 95
TOWNSEND; MORROW (GAS) POOL	Pct. Oil: 0	Pct. Gas: 5

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs