



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-2086

ARCO Permian
P.O. Box 1089
Eunice, New Mexico 88231

Mr. Larry D. Henson

*J. H. Williams No. 2
API No. 30-025-34163
Unit P, Section 34, Township 19 South, Range 37 East, NMPM,
Lea County, New Mexico.
Northwest Skaggs-Drinkard (Oil) and,
Monument-Tubb (Oil-47090) Pools*

Dear Mr. Henson:

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 24%	Gas 63%
Northwest Skaggs-Drinkard Pool	Oil 76%	Gas 37%

Administrative Order DHC-2086

ARCO Permian

August 25, 1998

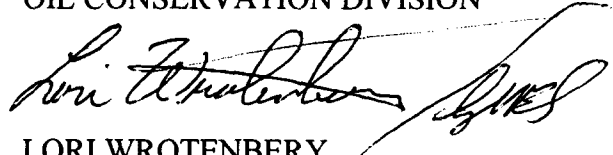
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 25th day of August, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs