

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3045

ChevronTexaco, Inc. 15 Smith Road Midland, Texas 79705

Attention: Ms. Denise Leake

NM "EA" State Well No. 2 API No. 30-025-35953 Unit B, Section 24, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. Wildcat-Tubb, Wildcat-Drinkard, and Wildcat-Abo Pools

Dear Ms. Leake:

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.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

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Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless amended by the Hobbs District Office and copied to this office.

Wildcat-Tubb Pool	Oil-1%	Gas-1%
Wildcat-Drinkard Pool	Oil-29%	Gas-94%
Wildcat-Abo Pool	Oil-70%	Gas-5%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 5th day of September 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

<u>L</u>ori Wrotenbery

LORI WROTENBERY Director

LW/wvjj

cc: Oil Conservation Division - Hobbs State Land Office – Santa Fe