New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Góvernor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire **Division Director Oil Conservation Division**



Administrative Order DHC-4031 Order Date: 5/30/2008 Application Reference Number: pKVR0814330965

JUDAH OIL LLC PO BOX 568. ARTESIA, NM 88211

Pool:

Attention: BILLY PRICHARD, AGENT

PENROC NEW MEXICO BW STATE Well No. 002 API No: 30-05-10081 Unit F, Section 20, Township 8 South, Range 33 East, NMPM Chaves County, New Mexico Tobac; Abo Oil 59340 Names: Tobac;Upper Penn Oil 59350

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done after testing of all intervals to be commingled. The applicant shall submit the allocation percentages to the Division within 60 days following completion of this workover.

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



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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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MARK E. FESMIRE, P.E. Director

cc: Oil Conservation Division – Artesia State Land Office - Oil, Gas, and Minerals Division