

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

February 27, 1964

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Cima Capitan, Inc.
P. O. Drawer 1343
Artesia, New Mexico

Attention: Mr. Thomas F. Welch

Administrative Order PC-198

Gentlemen:

Reference is made to your application dated December 6, 1963, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Red Lake and undesignated Seven Rivers production from your State 636 Lease in Section 22, Township 17 South, Range 28 East, Eddy County, New Mexico. We have now received approval of the Commissioner of Public Lands for the State of New Mexico to said commingling. It is our understanding that your Well No. 10 completed in the Seven Rivers formation is capable of producing about two barrels of oil per day and does not warrant separate tankage based on economics.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities"; and further, that you shall notify the Commission at such time as either of the aforesaid zones is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSH/esr

cc: Oil Conservation Commission (with enclosure) - Artesia
Oil & Gas Engineering Committee - Hobbs
State Land Office-Santa Fe