OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 4, 1964

Agtec 011 & Gas Company F. O. Box 847 Hobbs, New Mexico

Attention: Mr. Lester L. Duke

Administrative Order PC-229

Gentlemen:

Reference is made to your application dated August 24, 1964, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Terry-Blinebry and Drinkard production on your "State" Lease comprising Lots 3, 4, 5 and 6 of Section 2, Township 21 South, Range 37 Rest, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the production from both of the aforesaid pools is of marginal nature.

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 Commission Facilities," and provided further, that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

Very truly yours,

a. L. Porter, Jr. Secretary-Director

ALL: DaN: sg

cc: Oil Conservation Commission (with enclosure) - Hobbs

011 & Gas Engineering Committee - Hobbs

011 & Gas Accounting Commission - Senta Fe

State Land Office - Santa Fe

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