



**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-2707**

Primero Operating, Inc.  
P.O. Box 1433  
Roswell, New Mexico 88202

Attention: Mr. Phelps White

9-14-00  
(See Amended Order)  
3

*Tilley No. 1  
API No. 30-025-27891  
Unit N, Section 16, Township 16 South, Range 35 East, NMPM,  
Lea County, New Mexico.  
Undesignated Shoebar-Atoka (Gas - 85210) and  
Undesignated North Shoebar-Devonian (Oil - 56000) Pools*

Dear Mr. White:

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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Undesignated Shoebar-Atoka Gas Pool	Oil-0%	Gas-73%
Undesignated North Shoebar-Devonian Pool	Oil-100%	Gas-27%

*Administrative Order DHC-2707*

*Primero Operating, Inc.*

*April 19, 2000*

*Page 2*

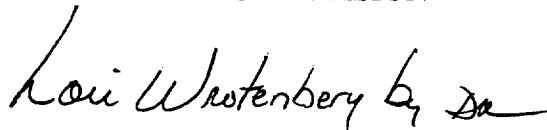
---

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 19th day of April, 2000.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Hobbs /