

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



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SANTA FE, NEW MEXICO 87504
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ADMINISTRATIVE ORDER DHC-834

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

Attention: M.Y. Merchant

*Conoco State No. 1
Unit G, Section 33, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico.
Hobbs-Blinebry and Hobbs-Drinkard Pools*

Dear Mr. Merchant:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Hobbs-Blinebry Pool.

Administrative Order DHC-834
Penroc Oil Corporation
March 10, 1992
Page 2

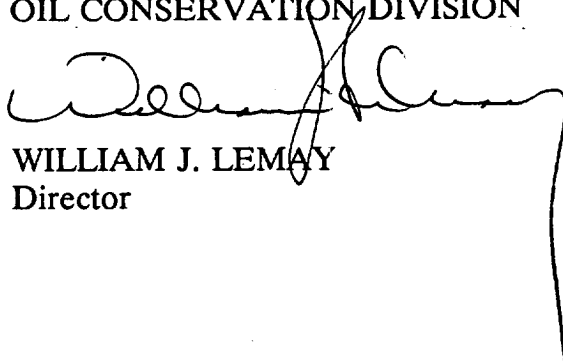
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool:	Oil	29%,	Gas	20%
Drinkard Pool:	Oil	71%,	Gas	80%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 10th day of March, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs ✓