

OIL CONSERVATION DIVISION

ADMINISTRATIVE ORDER DHC-1149

Shell Western E & P, Inc.
P.O. Box 576
Houston, Texas 77001-0576

Attention: Ms. Yvonne Iverson

State Well No. 119
Union, Section 3, Township 17 South, Range 35 East, 101PM,
Lea County, New Mexico.
Vacuum Wolfcamp & Vacuum Middle Penn Pools

Dear Ms. Iverson:

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 80 barrels per day, and total water production shall not exceed 160 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 1000 by the top unit allowable for the Vacuum Middle Penn Pool.

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

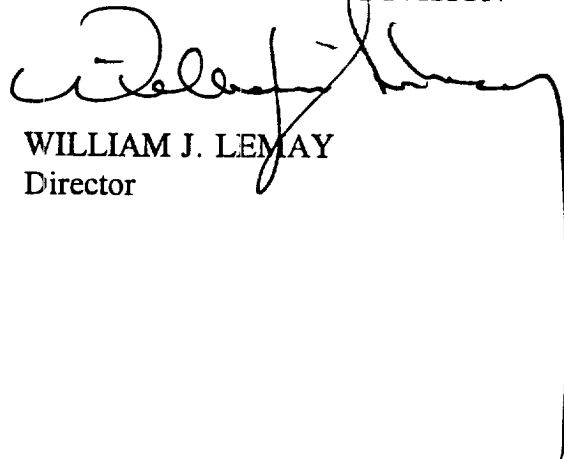
Vacuum Wolfcamp Pool	Oil 35%	37%
Vacuum Middle Penn Pool	Oil 65%	63%

FURTHER: The operator shall notify the Hobbs District Office of this Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 25th day of September, 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs ✓
State Land Office - Oil & Gas Division