

S. E. Cone #1
Section 26-T21S-R37E
Lea County, New Mexico

Approval is requested for an exception to Rule 303-C to permit down-hole commingling of the Blinebry Oil and Drinkard Oil in the subject well.

The S. E. Cone #1 was dually completed under Administrative Order DC-1050. Production from the two zones is currently surface commingled under Commingling Order PC-507.

The fluids show no evidence of incompatibility; therefore, down-hole commingling is not expected to result in reservoir damage. Ownership in the two pools is common and correlative rights will not be violated.

Currently, both zones are flowing. After down-hole commingling subject well will be equipped to pump.

Should secondary recovery operation become practical in the future, the two zones could be separated at such time without damaging either reservoir.

Offset operators are being notified of the intent to down-hole commingle subject well by copy of this application.

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AUG 12 1983

G.C.D.
HOBBS OFFICE