



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2743

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Mr. Terry Gant

*Shell State No. 1
API No. 30-025-20810
Unit C, Section 36, Township 22 South, Range 32 East, NMPM,
Lea County, New Mexico.
West Red Tank-Delaware (Oil - 51689) and
Red Tank-Bone Spring (Oil - 51683) Pools*

Dear Mr. Gant:

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.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 230 B/D

Gas 460 MCFG/D

Water 460 B/D

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

Administrative Order DHC-2743

Pogo Producing Company

May 31, 2000

Page 2

West Red Tank-Delaware Pool	Oil-68%	Gas-100%
Red Tank-Bone Spring Pool	Oil-32%	Gas-0%

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 31st day of May, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

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