STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

December 17, 1990

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

Graham Resources Inc. P.O. Box 50127 Midland, "X 79710

Attn: Jack D. Bledsoe

Re: Warlick A-2 #2-J Sec. 19, T21S, R37E

Downshole Commingling Penrose Skelly-GB with Blinebry/Drinkard & Paddock

Gentlemen:

As requested in your letter dated December 14, 1990, a temporary 30-day approval has been granted to continue to produce this well pending approval your request to downhole commingle all zones.

Please furnish this office a copy of your application.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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December 14, 1990

Oil Conservation Division P.O. Box 1960 Hobbs, N.M. 88240

Attention: Mr. Jerry Sexton

RE: Warlick A-2, 2-J, 19-21-37

Down hole commingling Penrose Shelly Grayburg

Dear Sir,

Due to the failure of Packer Leakage Test on the above mentioned well, Graham Royalty Ltd. will be pursuing the procedure for a down hole commingling permit. Thank you for your cooperation in this matter.

Very truly yours,

1,20,100

Jack D. Bledsoe Production Superintendent

cc: Jason Sizemore

JDB/jem