

CASE NO. 11429
Order No. R-10547
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IT IS THEREFORE ORDERED THAT:

(1) The applicant, Texaco Exploration & Production Inc., is hereby authorized to downhole commingle the Delaware and Bone Spring formations within existing or future drilled wells located anywhere within the W/2 E/2 and the E/2 W/2 of Section 31, Township 23 South, Range 32 East, NMPM, West Triste Draw-Delaware and South Sand Dunes-Bone Spring Pool, Lea County, New Mexico.

(2) The subject downhole commingled wells are hereby assigned an oil allowable of 187 barrels of oil per day.

(3) The allocation of production to the Delaware and Bone Spring formations within the subject downhole commingled wells shall be determined as follows:

- a) the Delaware formation within the SDE "31" Well Nos. 2, 4, 5, and 14 shall be tested for a minimum period of 2-3 weeks subsequent to recompletion operations. This production test data along with existing Bone Spring production data shall be utilized to determine the allocation percentages; and,
- b) within the SDE "31" Well Nos. 6 and 15, both the Delaware and Bone Spring formations shall be tested separately upon completion for a minimum period of 2-3 weeks. This production data shall then be utilized to determine allocation percentages.

(4) The applicant shall consult with the supervisor of the Division's Hobbs District Office subsequent to the completion of testing operations on the subject wells in order to arrive at fixed allocation percentages for each well.

(5) All allocation formulas and/or fixed percentages shall be submitted to the Santa Fe and Hobbs offices of the Division.

(6) The operator shall immediately notify the supervisor of the Hobbs District Office of the Division any time any of the subject wells have been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(7) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.