



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

**Lori Wrotenbery**

Director

Oil Conservation Division

## *AMENDED ADMINISTRATIVE ORDER DHC-2762*

Zia Energy, Inc.  
P.O. Box 2510  
Hobbs, New Mexico 88241

Attention: Mr. Scott Nelson

*Elliot "B" No. 6  
API No. 30-025-10333  
Unit A, Section 17, Township 22 South, Range 37 East, NMPM,  
Lea County, New Mexico.  
Eumont Yates-Seven Rivers-Queen (Oil - 22800) and  
Penrose Skelly-Grayburg (Oil - 50350) Pools*

Dear Mr. Nelson:

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.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

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

*Amended Administrative Order DHC-2762*

*Zia Energy, Inc.*

*February 26, 2001*

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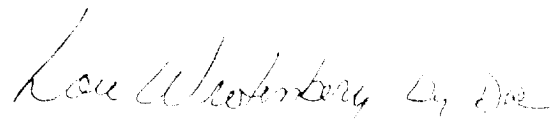
Humert Seven Rivers-Queen-Grayburg Pool	Oil-24%	Gas-62%
Penros-Skelly-Grayburg Pool	Oil-76%	Gas-38%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 26th day of February, 2001.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

SEAL

LW/DRC

cc: Oil Conservation Division Hobbs ✓