STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GARREY CARRUTHERS

August 17, 1989

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

Me-Tex Supply Company P.O. Box 2070 Hobbs, NM 88240

Attn: Mark Veteto

Re: Pancana Federal #1-M 6-22-37 DHC-734

Gentlemen:

We have received approval for the downhole commingling of the Blinebry/ Tubb and Drinkard zones in the above-referenced well. Our records only reflect a Drinkard completion. Please file the Blinebry and Tubb completion reports, Form C-104, C-105, and C-102 (acreage dedication plat) in order that the allowable may be assigned to the Blinebry and Tubb zones. For the test show the correct percentage of the most recent test for the Blinebry and Tubb zones.

Since this was an oversight and this authority has been issued after-thefact, please commence filing your production for each zone on your August 1989 production report.

If you have any questions, please contact Evelyn Downs at 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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