



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1767

*CD*  
*Donna*

Arch Petroleum Inc.  
10 Desta Drive  
Suite 420E  
Midland, Texas 79705

Attention: Ms. Robin S. McCarley

*Laura J. May No. 1*  
*API No. 30-025-26480*  
*Unit H, Section 27, Township 22 South, Range 37 East, NMPM,*  
*Lea County, New Mexico.*  
*Blinebry Oil & Gas (06660) and*  
*Drinkard (19190) Pools*

Dear Ms. McCarley:

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 subject well are hereby established as follows:

Oil 107 B/D

Gas 428 MCF/D

Water 214 B/D

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

Blinebry Oil & Gas Pool	Oil 80%	Gas 86%
Drinkard Pool	Oil 20%	Gas 14%

*Administrative Order DHC-1767*

*Arch Petroleum Inc.*

*January 15, 1998*

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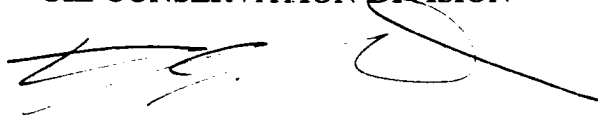
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 15th day of January, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



KATHLEEN A. GARLAND  
Acting Director

S E A L

KAG/DRC

cc: Oil Conservation Division - Hobbs /