

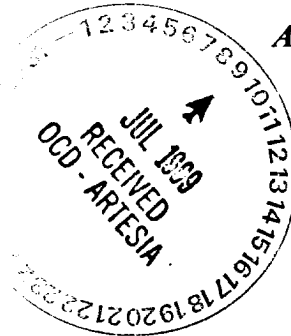


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-2387

Concho Resources, Inc.
110 W. Louisiana
Suite 410
Midland, Texas 79701



Attention: Ms. Terri Stathem

*Cochiti "28" Federal No. 1
API No. 30-015-30113
Unit E, Section 28, Township 23 South, Range 29 East, NMPM,
Eddy County, New Mexico.
Wildcat-Delaware, and
Wildcat-Bone Spring Pools*

Dear Ms Stathem:

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 well are hereby established as follows:

Oil 142 B/D

Gas 284 MCF/D

Water 284 B/D

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

Wildcat-Delaware	Oil-0%	Gas-0%
Wildcat-Bone Spring	Oil-100%	Gas-100%

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

Administrative Order DHC-2387

Concho Resources, Inc.

July 6, 1999

Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 6th day of July, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division – Artesia /
Bureau of Land Management - Carlsbad