



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3152

E.G.L. Resources Inc.
PO Box 10886
Midland, Texas 79702

Attention: Linda Johnston

*Sun Bright Federal Well No. 1
API No. 30-025-29140
Unit C, Section 21, Township 19 South, Range 33 East, NMPM,
Lea County, New Mexico
Undesignated Tonto-Bone Spring (Oil 59475) and
North Gem-Wolfcamp (Oil 27210) Pools*

Dear Ms. Johnston:

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 well bore.

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 oil pools shall be allowed to produce up to the top oil allowable and top casing head 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 unless modified with Division permission and copied to this office:

Administrative Order DHC-3152

E.G.L. Resources, Inc.

May 16, 2003

Page 2

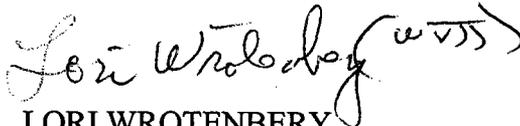
Undesignated Tonto-Bone Spring Oil Pool	Oil-22%	Gas-38%
North Gem Wolfcamp Oil Pool	Oil-78%	Gas-62%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 16th day of May 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/wvjj

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