



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2792

Aspen Oil Inc.
P.O. Box 2674
Hobbs, New Mexico 88241

Attention: Mr. Erick W. Nelson

*State "BX" Com No. 1
API No. 30-015-24059
Unit O, Section 35, Township 17 South, Range 28 East, NMPM,
Eddy County, New Mexico.
Empire-Atoka (Gas - 76375) and
South Empire-Morrow (Gas - 76400) 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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

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

| | | |
|------------------------------|---------|---------|
| Empire-Atoka Gas Pool | Oil-50% | Gas-19% |
| South Empire-Morrow Gas Pool | Oil-50% | Gas-81% |

REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 8th day of August, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Artesia
State Land Office-Oil & Gas Division