

Bowers A Federal # 28

DOWNHOLE COMMINGLING - REQUIRED DATA

In order to obtain administrative approval for downhole commingling, we have enclosed the following data pursuant to Rule 303 C :

a. Name and address of operator:

Exxon Company, U.S.A.
P.O. Box 1600
Midland, TX 79702

b. Lease name, well number, well locations, name of commingled pools:

Lease : Bowers A Federal Lease
Well : # 28
Location : Section 29, Township 18-S, Range 38-E
Pools : Byers Yates , Byers Queen

c. Plat

A plat of the area showing acreage is enclosed.

d. Form C-116 showing 24-hour productivity test from each zone:

We elect to use the option granted in Rule 303 C Part 2(e) which allows us to submit a prognostication for the future instead of current production from the Bowers # 28.

e. Production decline curves:

We elect to use the option granted in Rule 303 C Part 2(e) which allows us to submit a prognostication for the future instead of current production from the Bowers # 28.

f. Bottom-hole pressures:

Bowers A Federal # 37 (Yates): 90 psi
W.D. Grimes NCTA #1 (Queen): 105 psi

g. Description of fluid characteristics:

Both zones are dry gas zones and there is no expected compatibility problems.

h. Computation showing that value of the commingled production:

The mixture will not affect our gas contract prices and, thus, the value of the commingled zone will not be less than the individual zones.

i. Formula for the allocation of production:

Bowers A Federal proposed commingled stream based on offset production:

57% Queen (200 kcfpd Queen / 350 kcfpd total)

43% Yates (150 kcfpd Yates / 350 kcfpd total)

j. Statement that all offset operators have been notified of the proposed commingling:

By copy of this letter, we are notifying the offset operators and the United States Bureau of Land Management of this proposed commingling.

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

February 19, 1996

ADMINISTRATIVE ORDER DHC-1187

Exxon Company, USA
P.O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Don J. Bates

*Bowers 'A' Federal Well No.28
Unit M, Section 29, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico.
Byers Yates (Gas - 73610) and
Byers Queen (Gas - 73600) Pools*

Dear Mr. Bates:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production shall not exceed 60 barrels per day. 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.

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

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

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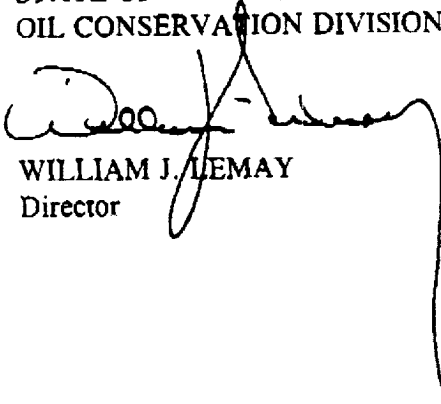
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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 19th day of February, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

SEAL

WJL/BES

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

NCPA Permits
FEB 23 1996