Administrative Order No. DHC-379

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

Attention: R. W. Schroeder,
             District Superintendent

                          Re: Jicarilla Tribal 396 Well No. 2
                                SE/4 SE/4, Sec. 8, T-23-N, R-3-W,
                                NMPM, Rio Arriba County
                                Undesignated Gallup Oil and
                                Chacon Dakota Associated Pools

Gentlemen:

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 the 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.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by top unit allowable for the Undesignated Gallup Oil Pool.
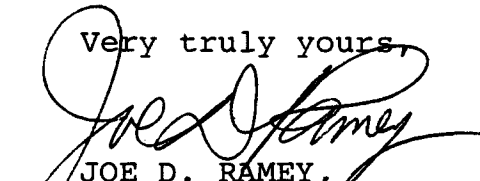
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Upper Pool: Oil 43%, Gas 43%
Lower Pool: Oil 57%, Gas 57%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY,
Division Director