

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

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STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ADMINISTRATIVE ORDER DHC-728

American Exploration Company  
2100 Republic Bank Center  
700 Louisiana  
Houston, TX 77002-2725

Attention: Marty B. McClanahan

G.G. Travis Well No. 3  
Unit I, Section 21, Township 23 South, Range 37  
East, NMPM, Lea County, New Mexico.  
Imperial Tubb-Drinkard & Teague Blinebry Pools

Dear Mr. McClanahan:

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 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 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Imperial Tubb-Drinkard Pool.

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

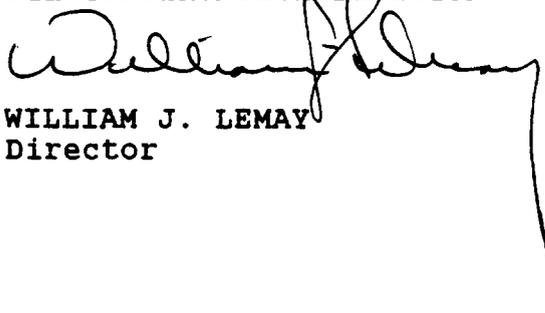
Blinebry Pool:	Oil 12%,	Gas 71%
Tubb-Drinkard Pool:	Oil 88%,	Gas 29%

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Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 6th day of June, 1989.

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A handwritten signature in cursive script, appearing to read "William J. Lemay", is written over the typed name and extends downwards with a long vertical line.

WILLIAM J. LEMAY  
Director

S E A L