ADMINISTRATIVE ORDER DHC-1699

Redstone Oil & Gas Company
8235 Douglas Ave.
Suite 1050
Dallas, Texas 75225

Attention: Ms. Sharon K. Petry

> *South Carlsbad Gas Com "4" No. 1*
> *API No. 30-015-21012*
> *Unit G, Section 27, Township 23 South, Range 26 East, NMPM,*
> *Eddy County, New Mexico.*
> *North Black River-Atoka (Gas - 72155) and*
> *Undesignated Frontier Hills-Strawn (Gas - 77190) Pools*

Dear Ms. Petry:

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.

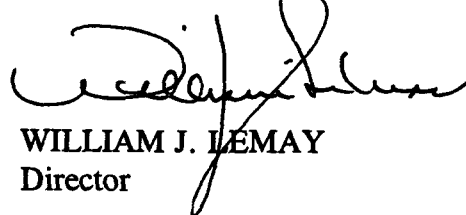Production from the subject well shall be allocated as follows:

POOL	OIL%	GAS %
Frontier Hills-Strawn Gas Pool	0%	40%
North Black River-Atoka Gas Pool	100%	60%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 3rd day of November, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

SEAL

WJL/DRC

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