



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-2958

Concho Oil and Gas Corp.
110 W. Louisiana, Suite 410
Midland, Texas 79701

Attention: Mr. Greg Wilkes

*Sun Pearl Federal No. 4
API No. 30-025-31047
Unit H, Section 28, Township 19 South, Range 34 East, NMPM,
Lea County, New Mexico.
Quail Ridge Yates South (Oil - 50466) and
Pearl Queen (Oil - 49780) Pools*

Dear Mr. Wilkes:

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 well bore.

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.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

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

Quail Ridge Yates South Pool	Oil - 21%	Gas- 32%
Pearl Queen Pool	Oil - 79%	Gas- 68%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 20th day of September 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director *by RE*

S E A L

LW/RE

cc: Oil Conservation Division – Hobbs
Bureau of Land Management