



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3117

John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79702-3040

Attention: Mr. Ronnie H. Westbrook

*Toni No. 1
API No. 30-025-27515
Unit H, Section 22, Township 19 South, Range 38 East, NMPM,
Lea County, New Mexico.
Nadine-Yates (Gas – 81500) and
Nadine Drinkard-Abo (Oil – 47510) Pools*

Dear Mr. Westbrook:

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.

In accordance with the provisions of Rule 303.C.(1), the commingled oil pool shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool and, the maximum amount of gas that may be produced from the commingled gas pool shall be determined by Division rules and regulations or by the gas allowable as printed in the Division's Southeast Gas Proration Schedule.

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

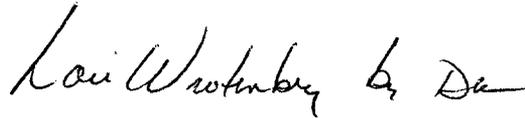
Nadine-Yates Gas Pool	Oil-0%	Gas-39%
Nadine Drinkard-Abo Pool	Oil-100%	Gas-61%

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 10th day of March, 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs