



American Exploration Company

Aug. 21, 1990

Re: Request to Surface
Commingling
Howard Fleet Lease
King Penn and Devonian
Lea County, New Mexico

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: David Catanach

Gentlemen:

American Exploration Company respectfully requests approval for exception to Rule 303-A to surface commingle the King Penn and the King Devonian Pools from the Howard Fleet Lease, located in Section 35, T15S, R37E, Lea County, New Mexico.

The recent completion of the Howard Fleet Well No. 5 located 2250' FSL and 600' FEL in the King Penn Pool requires this approval to commingle in common facilities the commonly owned production to include this production with that of the King Devonian Pool in the Howard Fleet Well No. 2 located 830' FEL and 990' FSL of the lease. The liquid hydrocarbon production from the King Penn will be accurately metered with the remaining production subtracted and allocated to the King Penn Devonian.

Additional data relative to this commingling request are listed as follows and attached as Exhibit A, B and C to this letter request.

1. A lease plat is attached showing the location of each well and attached as Exhibit A and B.
2. Ownership of interest in both formations is the same.
3. A schematic diagram of the Howard Fleet Tank Battery is attached as Exhibit C.
4. The quality of crude is identical and commingling will not reduce the commercial value.
5. Production from the King Penn Pool based on a 24 hr. pump test is 129 BOPD at 42.8 degree gravity, 100 BWPD and 150 MCFGPD.
6. Production from the King Devonian based on a 24 hr. pump test is 43 BOPD at 42.8 degree gravity, 1425 BWPD and 80 MCFGPD.