



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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AMENDED ADMINISTRATIVE ORDER DHC-78

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

Attention: Marty B. McClanahan

GPS Federal Well No. 1
Unit O, Section 6, Township 22 South, Range 38 East,
NMPM, Lea County, New Mexico.
Blinebry, Wantz Abo and Drinkard Pools

Dear Mr. McClanahan:

Reference is made to your recent application for an amendment to Administrative Order No. DHC-78, dated April 19, 1971, which authorized the downhole commingling of production from the Blinebry and Wantz-Abo pools in the wellbore, to permit the addition of a third zone of production to be commingled in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions at 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.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4000 by the top unit allowable for the Blinebry Oil and Gas Pool.

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

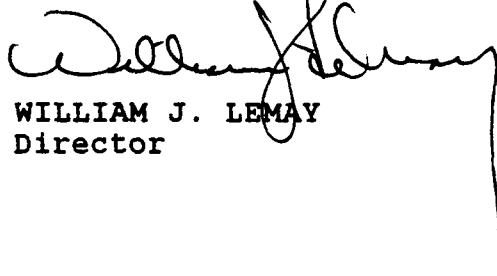
Blinebry Pool:	Oil 1.0%,	Gas 0%
Abo Pool:	Oil 12%,	Gas 0%
Drinkard Pool:	Oil 87%,	Gas 100%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

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Approved at Santa Fe, New Mexico on this 7th day of June, 1989.

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WILLIAM J. LEMAY
Director

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