

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-805

Seay Exploration, Inc.
407 N. Big Spring
Midland, TX 79701

Attention: Ann E. Ritchie

*House Well No. 2
Unit D, Section 13, Township 20 South, Range 38 East, NMPM, Lea
County, New Mexico.
House Drinkard and Undesignated Blinebry Pools*

Dear Ms. Ritchie:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

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 2000 by the top unit allowable for the House Drinkard Pool.

Administrative Order DHC-805
Seay Exploration, Inc.
May 24, 1991
Page 2

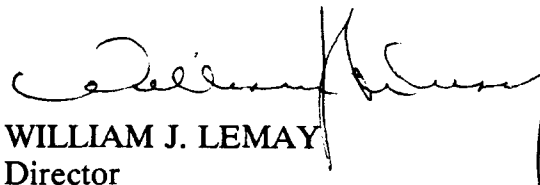
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool:	Oil	69%,	Gas	9%
Drinkard Pool:	Oil	31%,	Gas	91%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of May, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L