



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1480

Arch Petroleum Inc.
10 Desta Drive
Suite 420E
Midland, Texas 79705

Attention: Ms. Bobbie Brooks

*C. D. Woolworth No. 5
API No. 30-025-25790
Unit M, Section 30, Township 24 South, Range 37 East, NMPM,
Lea County, New Mexico.
Jalmat Tansill-Yates-Seven Rivers and
Langlie Mattix Seven Rivers-Queen-Grayburg Pools*

Dear Ms. Brooks:

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., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 80 B/D

Gas 800 MCF/D

Water 160 B/D

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

Jalmat Tansill-Yates-SR Pool	Oil 50%	Gas 47%
Langlie-Mattix Pool	Oil 50%	Gas 53%

Administrative Order DHC-1480

Arch Petroleum Inc.

April 8, 1997

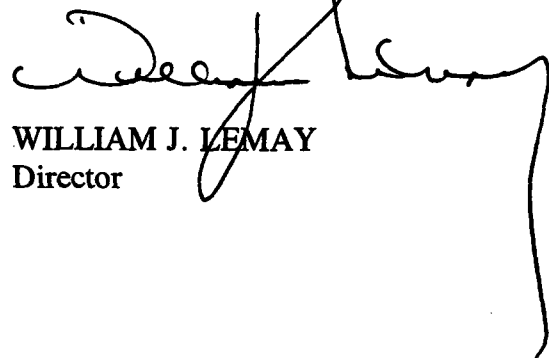
Page 2

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 8th day of April, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long vertical stroke extending downwards from the end of the name.

WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs