



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-1572

Enron Oil & Gas Company
P.O. Box 2267
Midland, Texas 79702

Attention: Ms. Betty Gildon

*Hudson Federal Well No. 1
API No. 30-015-21052
Unit F, Section 1, Township 23 South, Range 30 East, NMPM,
Eddy County, New Mexico.
South Los Medanos-Wolfcamp (96336) and
Los Medanos-Bone Spring (40295) Pools*

Dear Ms. Gildon:

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 320 B/D

Gas 640 MCF/D

Water 640 B/D

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

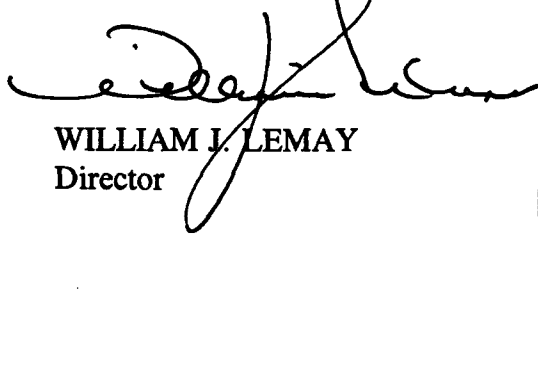
South Los Medanos-Wolfcamp Pool	Oil 21 %	Gas 21 %
Los Medanos-Bone Spring Pool	Oil 79 %	Gas 79 %

REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 24th day of June, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Artesia
Bureau of Land Management-Carlsbad