



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-1711

Cross Timbers Operating Company
3000 N. Garfield
Suite 175
Midland, Texas 79705

Attention: Mr. F. Terry Perkins Jr.

*McCallister Well No. 1
API No. 30-025-07731
Unit M, Section 5, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico.
West Nadine Paddock-Blinebry (47400) and
West Nadine-Tubb (47530) Pools*

Dear Mr. Perkins:

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 142 B/D

Gas 994 MCF/D

Water 284 B/D

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

West Nadine Paddock- Blinebry Pool	Oil 62%	Gas 50%
West Nadine-Tubb Pool	Oil 38%	Gas 50%

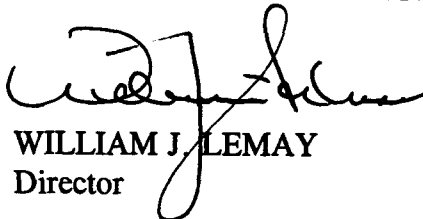
REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

The allocation formula established herein should be amended by the applicant in the event the actual production encountered upon recompletion differs substantially from the forecast production.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 25th day of November, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs