



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-1840

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Ms. Kay Maddox

*Warren Unit No. 108
API No. 30-025-32666
Unit J, Section 28, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico.
Warren Grayburg-San Andres (Oil-96343) and,
Warren-Drinkard (Oil-63080) Pools*

Dear Ms. Maddox:

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 200 B/D

Gas 2000 MCF/D

Water 400 B/D

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

Warren Grayburg-San Andres Pool	Oil 75%	Gas 9%
Warren-Drinkard Pool	Oil 25%	Gas 91%

Administrative Order DHC-1840

Conoco Inc.

March 6, 1998

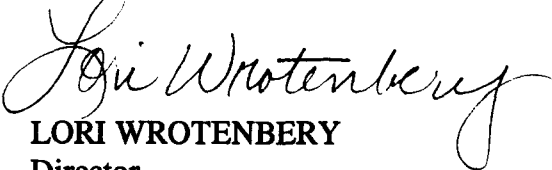
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 6th day of March, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

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