



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-2338

ARCO Permian
P.O. Box 1610
Midland, Texas 79702-1610

Attention: Ms. Elizabeth A. Casbeer

*Washington "33" State No. 22
API No. 30-015-30196
Unit L, Section 33, Township 17 South, Range 28 East, NMPM,
Eddy County, New Mexico.
Artesia Queen-Grayburg-San Andres (Oil - 3230), and
Undesignated Glorieta-Yeso (Oil - N/A) Pools*

Dear Ms Casbeer:

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 amendment 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 well are hereby established as follows:

Oil 80 B/D

Gas N/A

Water 160 B/D

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

Artesia Queen-Grayburg-San Andres Pool	Oil-28%	Gas-48%
Undesignated Glorieta-Yeso Pool	Oil-72%	Gas-52%

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

Administrative Order DHC-2338

ARCO Permian

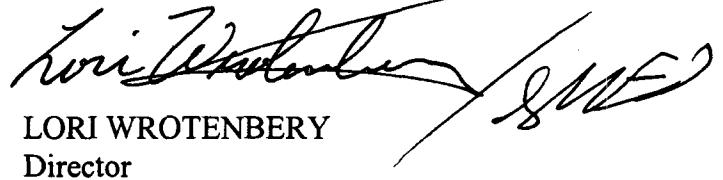
May 17, 1999

Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 17th day of May, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Artesia
State Land Office-Oil & Gas Division