



**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-2451

Concho Resources Inc.
Suite 410
110 W. Louisiana
Midland, Texas 79701

Attention: Mr. Jim Blount

*Caballo "9" State No.1
API No. 30-025-34577
Unit E, Section 9, Township 23 South, Range 34 East, NMPM,
Lea County, New Mexico.
Antelope Ridge-Atoka (Gas - 70360), and
Antelope Ridge-Strawn (Gas - 70450 Pools*

Dear Mr. Blount:

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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

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

| | | |
|--------------------------------|----------|----------|
| Antelope Ridge-Atoka Gas Pool | Oil-100% | Gas-100% |
| Antelope Ridge-Strawn Gas Pool | Oil-0% | Gas-0% |

Administrative Order DHC-2451

Concho Resources Inc.

September 8, 1999

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 8th day of September, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a small "by DHC" in a similar script.

LORI WROTENBERY
Director

S E A L

LW/DRC

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