

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2948

ARCO Permian P.O. Box 1610 Midland, Texas 79701

Attention: Ms. Amy T. Spang

Jaguar Federal "26" No. 1
API No. 30-015-31566
Unit A, Section 26, Township 20 South, Range 21 East, NMPM,
Eddy County, New Mexico.
Wildcat-Strawn (Gas – N/A) and
Wildcat-Atoka (Gas – N/A) Gas Pools

Dear Ms. Spang:

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.

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:

| Wildcat-Strawn Gas Pool | Oil-N/A | Gas-77% |
|-------------------------|---------|---------|
| Wildcat-Atoka Gas Pool | Oil-N/A | Gas-23% |

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 22nd day of August, 2001.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Lou Wistenbery by De LORI WROTENBERY

Director

SEAL

LW/DRC

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