



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3249

Fasken Oil and Ranch, Ltd
303 West Wall
Suite 1800
Midland, Texas 79701

Attention: Jimmy D. Carlile

*Laguna "16" State Well No. 1
API No. 30-025-36437
Unit P, Section 16, Township 20 South, Range 32 East, NMPM,
Lea County, New Mexico
Wildcat-Strawn (Gas), and
Wildcat-Morrow (Gas) Pools*

Dear Mr. Carlile:

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 well bore.

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 produced daily oil and gas shall be determined using Division Rules and Regulations.

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

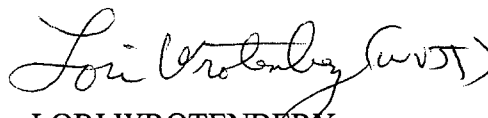
Wildcat-Strawn Gas Pool	Oil-67%	Gas-67%
Wildcat-Morrow Gas Pool	Oil-33%	Gas-33%

REMARKS: The operator shall notify the Hobbs 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 29th day of February 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Division Director

LW/wvjj

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