



**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-2480**

Louis Dreyfus Natural Gas  
14000 Quail Springs Parkway  
Suite 600  
Oklahoma City, Oklahoma 73134-2600

Attention: Mr. Terry D. Bryant

*Sheep Draw Federal Com No. 1  
API No. 30-015-26847  
Unit B, Section 33, Township 22 South, Range 26 East, NMPM,  
Eddy County, New Mexico.  
Sheep Draw-Strawn (Gas - 85200), and  
Happy Valley-Morrow (Gas - 78060) Pools*

Dear Mr. Bryant:

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:

Sheep Draw-Strawn Gas Pool	Oil-N/A	Gas-17%
Happy Valley-Morrow Gas Pool	Oil-N/A	Gas-83%