ADMINISTRATIVE ORDER DHC-2460

Mewbourne Oil Company P.O. Box 7698 Tyler, Texas 75711

Attention: Mr. K. M. Calvert

Northeast Avalon Hills "36" State Com No. 1
API No. 30-015-30390
Unit O, Section 36, Township20 South, Range 27 East, NMPM, Eddy County, New Mexico.
West Burton Flat-Strawn (Gas - 73440), and
Burton Flat-Morrow (Gas - 73280) Pools

Dear Mr. Calvert:

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:

| West Burton Flat-Strawn Gas Pool | Oil-100% | Gas-17% |
|----------------------------------|----------|---------|
| Burton Flat-Morrow Gas Pool | Oil-0% | Gas-83% |

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REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 21st day of September, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Lou Westerbery by Dic LORI WROTENBERY

Director

SEAL

LW/DRC

Oil Conservation Division - Artesia cc:

State Land Office-Oil & Gas Division