



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

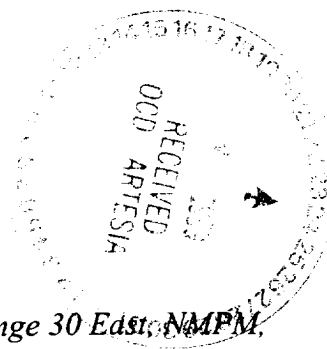
OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2337

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Ms. Elizabeth E. Moses

*FNR "26" Federal No. 1 ✓
API No. 30-015-30412
Unit M, Section 26, Township 23 South, Range 30 East, NMPM,
Eddy County, New Mexico.
SE Forty Niner Ridge-Delaware (Oil - 96843), and
Forty Niner Ridge-Bone Spring (Oil - 32836) Pools*



Dear Ms. Moses:

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.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 107 B/D

Gas 214 MCF/D

Water 214 B/D

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

| | | |
|------------------------------------|---------|---------|
| SE Forty Niner Ridge-Delaware Pool | Oil-31% | Gas-52% |
| Forty Niner Ridge-Bone Spring Pool | Oil-69% | Gas-48% |

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