



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1399

Santa Fe Energy Resources, Inc..
550 W. Texas
Suite 1330
Midland, Texas 79701

Attention: Mr. James Blount

*Tresnor Mitchell "30" Federal Well No. 1
API No. 30-025-32688
Unit N, Section 30, Township 23 South, Range 32 East, NMPM,
Lea County, New Mexico.
West Triste Draw-Delaware (59945) and
South Sand Dunes-Bone Spring (53805) Pools*

Dear Mr. Blount:

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.

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

Oil 187 B/D

Gas 374 MCF/D

Water 374 B/D

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

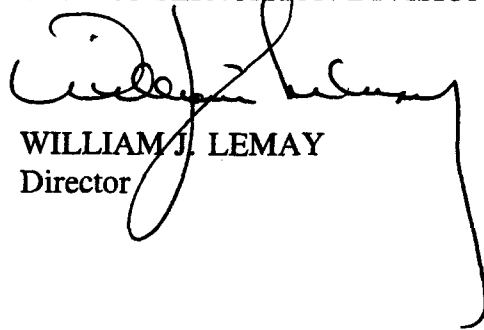
West Triste Draw-Delaware Pool	Oil 50%	Gas 10%
South Sand Dunes-Bone Spring Pool	Oil 50%	Gas 90%

REMARKS: The operator shall notify the Hobbs 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 19th day of November, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

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