



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-2175

Chevron USA Inc.
P.O. Box 1150
Midland, Texas 79702

Attention: Mr. C.A. Wright

*Hugh No. 5
API No. 30-025-10261
Unit F, Section 14, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Prorated Gas - 72480) and
Wantz-Abo (Oil - 62700) Pools*

Dear Mr. Wright:

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.

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:

Blinebry Oil & Gas Pool	Oil-0%	Gas-50%
Wantz-Abo Pool	Oil-100%	Gas-50%

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

Administrative Order DHC-2175

Chevron USA Inc.

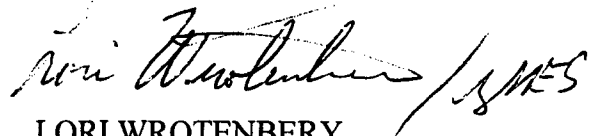
January 20, 1999

Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 20th day of January, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", followed by a stylized flourish or set of initials.

LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs