NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

ADMINISTRATIVE ORDER DHC-2470

Four Star Oil & Gas Company 3300 N. Butler Avenue Suite 100 Farmington, New Mexico 87401

Attention: Mr. Rached Hindi

Farming "E" No. 3
API No. 30-039-05642
Unit K, Section 2, Township 24 North, Range 6 West, NMPM,
Rio Arriba County, New Mexico.
Devils Fork-Gallup (Associated - 17610) and
Basin-Dakota (Prorated Gas - 71599) Pools

Dear Mr. Hindi:

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 the ereby, 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 pool as printed in the Division's San Juan Basin Gas Proration Schedule.

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

Devils Fork-Gallup Pool	Oil-100%	Gas-36%
Basin-Dakota Gas Pool	Oil-0%	Gas-64%

Administrative Order DHC-2470 Four Star Oil & Gas Company October 12, 1999 Page 2

REMARKS: The operator shall notify the Aztec 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 12th day of October, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

LW/DRC

cc:

Oil Conservation Division - Aztec State Land Office-Oil & Gas Division