

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3200

Arch Petroleum, Inc. PO Box 10340 Midland, Texas 79702

Attention: Cathy Wright

S. J. Carr Well No. 5 API No. 30-025-11084 Unit N, Section 10, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico Wildcat-Tubb (Oil), and Fowler-Upper Yeso (Oil 26680) Pools

Dear Ms. Wright:

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.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless modified with permission of the Hobbs District Office and copied to this office.

| Wildcat-Tubb Oil | Oil-76% | Gas-67% |
|----------------------------|---------|---------|
| Fowler-Upper Yeso Oil Pool | Oil-24% | Gas-33% |

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 23rd day of October 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Division Director

LW/wvjj

cc: Oil Conservation Division - Hobbs