



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3212

Xeric Oil & Gas Corporation
PO Box 352
Midland, Texas 79702

Attention: Angie Crawford

*TCB State Well No. 3
API No. 30-025-35187
Unit F, Section 36, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
East Warren-Tubb (Oil 87085),
DK-Abo (Oil 15200), and
East Warren-Drinkard (Oil 63120) pools.*

Dear Ms. Crawford:

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.

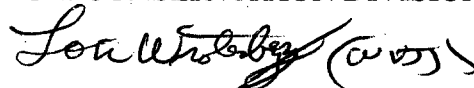
East Warren-Tubb Oil	Oil-31%	Gas-44%
DK-Abo Oil	Oil-62%	Gas-40%
East Warren-Drinkard Oil	Oil-7%	Gas-16%

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 November 10, 2003, retroactive to April, 22, 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/wvjj

cc: Oil Conservation Division – Hobbs
State Land Office – Minerals Management Division