



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3134

Ocean Energy, Inc.
1001 Fannin, Suite 1600
Houston, Texas 77002

Attention: Jeanie McMillan

*Parkway Well No. 14
API No. 30-015-32184
Unit B, Section 28, Township 19 South, Range 29 East, NMPM,
Eddy County, New Mexico
Undesignated West Parkway-Morrow (Gas 82600), and
Parkway-Wolfcamp (Oil 49637) Pools*

Dear Ms. McMillan:

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 well bore.

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.(1), the commingled oil pool shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool and, the maximum amount of gas that may be produced from the commingled gas pool shall be determined by Division rules and regulations or by the gas allowable 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 unless amended with permission of the Artesia District Office and copied to this

office.

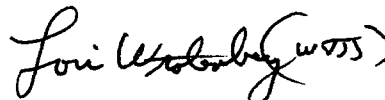
Undesignated West Parkway-Morrow Gas Pool	Oil-4%	Gas-35%
Parkway-Wolfcamp Oil Pool	Oil-96%	Gas-65%

REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 8th day of April 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/wvjj

cc: Oil Conservation Division – Artesia
James Bruce – Attorney for Ocean Energy, Inc.