OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1850

Conoco Inc. 10 Desta Drive Suite 100W Midland, Texas 79705-4500

Ms. Kay Maddox

SEMU Skaggs "B" No. 97 API No. 30-025-25419 Unit K, Section 23, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Monument-Tubb (47090), and Weir-Drinkard (63840) Pools

Dear Ms. Maddox:

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.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 222 B/D

Gas 2220 MCF/D

Water 444 B/D

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

Monument-Tubb Pool	Oil 61%	Gas 19%
Weir-Drinkard Pool	Oil 39%	Gas 81%