

ADMINISTRATIVE ORDER DHC-1768

Arch Petroleum Inc. 10 Desta Drive Suite 420E Midland, Texas 79705

Attention: Ms. Robin S. McCarley

Manda No. 1 API No. 30-025-25438 Unit N, Section 21, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Blinebry Oil & Gas (06660) and Drinkard (19190) Pools

Dear Ms. McCarley:

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 107 B/D

Gas 428 MCF/D

Water 214 B/D

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

Blinebry Oil & Gas Pool	Oil 54%	Gas 44%
Drinkard Pool	Oil 46%	Gas 56%