



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3017

Home-Stake Oil and Gas Company
2745 North Plano Parkway
Suite 220
Plano, Texas 75093

Attention: Mr. Steve Smith

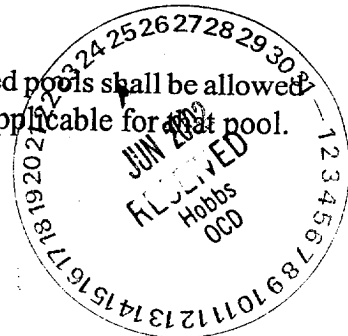
Keohane Well No.1
API No. 30-025-35050
Unit J, Section 26, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico
Wantz-Abo (Oil - 62700),
Drinkard (Oil - 19190),
Undesignated Tubb Oil and Gas (Oil - 60240), and
Blinebry Oil and Gas (Oil - 6660) Pools.

Dear Mr. Smith:

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), each of the commingled 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:

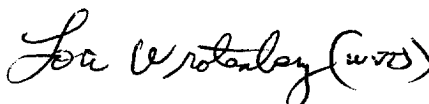
Wantz-Abo Oil Pool	Oil-1%	Gas-6%
Drinkard Oil Pool	Oil-14%	Gas-12%
Undesignated Tubb Oil and Gas Oil Pool	Oil-33%	Gas-32%
Blinebry Oil and Gas Oil Pool	Oil-52%	Gas-50%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 18th day of June 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

LW/WVJ

cc: Oil Conservation Division – Hobbs /

