



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED ADMINISTRATIVE ORDER DHC-1658

CW
Bonnie

Santa Fe Energy Resources, Inc.
550 West Texas Street, Suite 1330
Midland, Texas 79701

Mr. Gary L. Travis

Zia "6" Federal Well No. 1
API No. 30-025-32505
Unit H, Section 6, Township 24 South, Range 32 East, NMPM.
Lea County, New Mexico.
Mesa Verde-Delaware (Oil - 96191) and,
Mesa Verde-Bone Spring (Oil-96229) Pools

Dear Mr. Travis:

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 230 B/D Gas 460 MCF/D Water 460 B/D

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

Mesa Verde-Delaware Pool	Oil 55%	Gas 75%
Mesa Verde Bone-Spring Pool	Oil 45%	Gas 25%

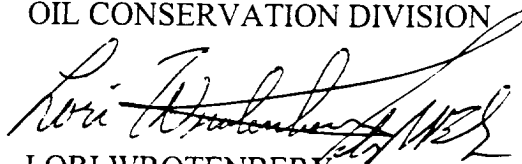
Amended Administrative Order DHC-1658
Santa Fe Energy Resources, Inc.
August 25, 1998
Page 2

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 25th day of August, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", is written over the printed name.

LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Hobbs /
Bureau of Land Management-Carlsbad