

CORRECTED ADMINISTRATIVE ORDER DHC-1177

Plains Petroleum Operating Company
415 West Wall Street, Suite 1000
Midland, Texas 79701

Attention: Ms. Bonnie Hubbard

Well 'B' Federal Well No 11
T12N, R14W, Section 35, Township 23 South, Range 14 West,
Hidalgo County, New Mexico.
Adjacent to Tubb-Drinkard (33600) & South League

Dear Ms. Hubbard:

Reference is made to your recent application for an exception to Rule 303-C, Division Rules and Regulations to permit the subject well to commingle production from two pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C-4 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 two zones is hereby placed in the past.

In accordance with the provisions of Rule 303-C-4, total commingled production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced from the well shall be determined by multiplying 2000 by the top unit allowable for the South League Abo Pool.

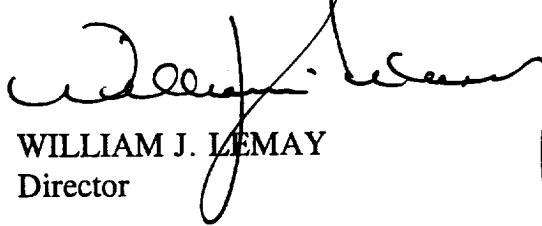
In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its commingling.

FURTHER, The operator shall notify the Hobbs District Office of the Oil Conservation Division upon implementation of the commingling process.

Pursuant to Rule 303-C, the commingling authority granted by the order is not rescinded by the Division Director if, in his opinion, conservation is not being jeopardized by such commingling.

Approved at Santa Fe, New Mexico on this 8th day of February, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

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