ADMINISTRATIVE ORDER DHC-1432

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

Attention: Ms. Bobbie Brooks

C.D. Woolworth Well No.5 Unit M, Section 30, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Jalmat Tansill-Yates-Seven Rivers-Queen-Grayburg (Oil - 33820) and Langlie-Mattix Seven Rivers-Queen-Grayburg (37240) Pools

Dear Ms. Brooks:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

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

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Oil 80 B/D	Gas 800 Mcf/D	Water 160 B/D

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

Jalmat T-Y-SR-Q-GRBG Pool	Oil 50%	Gas 47%
Langlie-Mattix SR-Q-GRBG Pool	Oil 50%	Gas 53%

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