NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

ADMINISTRATIVE ORDER DHC-2455

Enron Oil & Gas P.O. Box 2267 Midland, Texas 79702

Attention: Mr. M. Lee Roark

Hallwood "1" Federal No. 1
API No. 30-025-31649
Unit C, Section 1, Township 25 South, Range 33 East, NMPM,
Lea County, New Mexico.
Vaca Draw-Wolfcamp (Gas - 86790), and
Pitchfork Ranch-Morrow (Gas - 82930) Pools

Dear Mr. Roark:

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 amendment 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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

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

Vaca Draw-Wolfcamp Gas Pool	Oil-98%	Gas-55%
Pitchfork Ranch-Morrow Gas Pool	Oil-2%	Gas-45%

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 9th day of September, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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LORI WROTENBERY

Director

SEAL

LW/DRC

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