

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Groternor Joam n Prukop Cabin effectetary Mark E. Fesmire, P.E. Director Oil Conservation Division

Administrative Order DHC-3912

FOREST OIL PERMIAN CORPORATION 707 17TH STREET, SUITE 3600, DENVER, CO 80202

Attention: Cindy Bush

CARTER Well No. 001
API No: 30-025-30854
Unit I, Section 30, Township 19 South, Range 39 East, NMPM
Lea County, New MexicoPool:NADINE;ABO, EASTNames:Oil 47393
Undesignated NADINE;DRINKARD, EAST

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

| NADINE, ABO, EAST Pool | Pct Gas: 0 | Pet Oil· 50 |
|-----------------------------|------------------------|-------------|
| NADINE, DRINKARD, EAST Pool | Pet Gas ¹⁰⁰ | Pet Oil: 50 |

These percentages shall be amended only with written permission of the Division.

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

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Order approved at Santa Fe, New Mexico on 6/22/2007.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E. Director

cc: Oil Conservation Division – Hobbs