New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Names:

Jon Goldstein Cabinet Secretary

Jim Noel Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4249 Order Date: 2/2/2010

Application Reference Number: pTGW1001432566

NADEL AND GUSSMAN HEYCO, LLC PO BOX 1936, ROSWELL, NM 88202

Attention: Tammy R. Link

LOVING 2 STATE Well No. 005

API No: 30-015-37111

Unit K, Section 2, Township 23 South, Range 28 East, NMPM

Eddy County, New Mexico

Pool: CULEBRA BLUFF;BONE SPRING, SOUTH

UNDES. HERRADURA BEND; DELAWARE, EAST

Oil 15011

Oil 30670

Reference is made to your recent application for an exception to Rule 12.9A. 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 12.11A., 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 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division - Artesia

State Land Office - Oil, Gas, and Minerals Division