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Aubrey Dunn  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

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March 4, 2015

LRE Operating, LLC  
3104 North Sullivan Avenue  
Farmington, New Mexico 87401

Attn: Mr. Mike Pippin

Re: Downhole Commingling Application  
Staley State Well No. 18  
Letter H Section 30-17S-28E API 30-015-40027  
Red Lake; Glorieta-Yeso NE (96836) Pool and Red Lake; San Andres Pool (97253)  
Eddy County, New Mexico

Dear Mr. Pippin:

Thank you for your application to downhole commingle the Red Lake; San Andres and Red Lake; Glorieta-Yeso NE pools from the referenced well in Eddy County, New Mexico.

Since it appears that all the New Mexico Oil Conservation's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

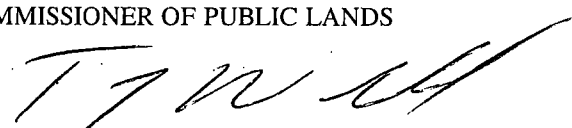
Your filing fee in the amount of \$30.00 has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

BY:

  
Terry Warnell, Director  
Oil, Gas and Minerals Division  
AD/TW/sk  
Enclosure  
xc: Reader File  
OCD-Daniel Sanchez