



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

July 6, 2015

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

Attn: Mr. Mike Pippin

Re: Downhole Commingling Application
Staley State Well No. 23
Section 30-17S-28E API 30-015-41064
Red Lake; Glorieta-Yeso NE (96836) Pool and Red Lake; San Andres Pool (97253)
Eddy County, New Mexico

DML 4764

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,

A handwritten signature in black ink, appearing to read "Aubrey Dunn", is written over the typed name.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/sk
Enclosure
xc: Reader File
OCD-Daniel Sanchez