



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 26, 2010

Administrative Order DHC-4271
Application Reference Number: pWVJ1010548008

Lime Rock Resources A, L.P.
c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401

Re: No Bluff State Com Well No. 5
API No. 30-015-34029

Pool: RED LAKE; QUEEN-GRAYURG- SAN ANDRES OIL (51300)
NORTHEAST RED LAKE; GLORIETA-YESO OIL (96836)

Dear Mr. Pippin:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A, that reservoir damage or waste will not result from such downhole commingling, and that correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

It is our understanding that the allocation percentages for oil and gas for the respective pools will be determined by the subtraction method, based on subtracting current production from the Northeast Red Lake Glorieta-Yeso Pool from commingled production over a two-month period. The production allocation percentages of oil and gas between these pools shall be reported to the Division's Santa Fe office within 90 days following completion of this workover.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.



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The operator shall notify the Division's Artesia 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Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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.
Acting Director

MEF/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe