



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Cabinet Secretary

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Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



September 17, 2010

Administrative Order DHC-4317

Application Reference Number: pTGW1023627711

Lynx Petroleum Consultants, Inc.

Attn: Ms. Debbie McKelvey

P.O. Box 1708

Hobbs, NM 88241

**Re: Lusk 31 Federal Well No. 3
API No. 30-025-35953**

**Pools: North Lusk; Wolfcamp (Oil) (41608)
Wildcat Cisco-Canyon (Oil)
Lusk; Strawn (Oil) (41589)**

Dear Ms. McKelvey:

Reference is made to your application for an exception to Division Rule 12.9.A 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 12.11.A., 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.

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

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

Pool: North Lusk; Wolfcamp	Pct Gas: To be supplied	Pct Oil: To be supplied
Pool: Wildcat Cisco-Canyon	Pct Gas: To be supplied	Pct Oil: To be supplied
Pool: Lusk; Strawn	Pct Gas: To be supplied	Pct Oil: To be supplied

Oil Conservation Division

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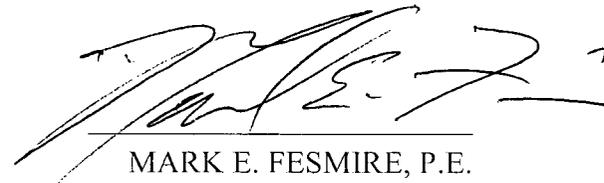
It is our understanding that allocation percentages will be determined from swab tests on each zone after the well has been completed. The production allocation percentages of oil and gas between these pools shall be reported to the Division's Santa Fe office within 60 days following completion of this well.

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

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

The operator shall notify the Division's Hobbs 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 – Hobbs
United States Bureau of Land Management