



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Harrison H. Schmitt
Cabinet Secretary-Designate

January 24, 2011

Administrative Order DHC-4317-A
Application Reference Number: pTGW1036434643

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)
North Lusk; Bone Spring (Oil) (41450)

Dear Ms. McKelvey:

This Order supersedes Order DHC-4317 in its entirety.

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: North Lusk; Bone Spring	Pct Gas: To be supplied	Pct Oil: To be supplied



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Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



DANIEL SANCHEZ
Acting Director

DS/db

cc: Oil Conservation Division – Hobbs
United States Bureau of Land Management