New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

JAMI BAILEY
Division Director
Oil Conservation Division

Administrative Order DHC-4407
Order Date: June/2/2011
Application Reference Number: pTGW1115150524

NMR Energy, LLC
800 Bering, Suite 250,
Houston, TX 77057

Attention: Hollie C. Lamb

> Barnhill Well No. 1
> API No: 30-025-28198
> Unit L, Section 1, Township 14 South, Range 37 East, NMPM
> Lea County, New Mexico

Pool:	King; Wolfcamp	Oil 36100
Names:	King; Penn	Oil 36020

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, 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 above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, 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:

King; Wolfcamp Pool	Pct Gas: 87.5	Pct Oil: 85
King; Penn Pool	Pct Gas: 12.5	Pct Oil: 15

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs