Susana Martinez Governor

John Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Administrative Order DHC-4581 Order Date: 8/23/2012 Application Reference Number: pKVR1222955504

ENERVEST OPERATING L.L.C. 1001 FANNIN STREET, SUITE 800 HOUSTON, TX 77002

Attention: RONNIE L. YOUNG

PYRO ABK STATE Well No. 002 API No: 30-025-29564 Unit C, Section 33, Township 13 South, Range 33 East, NMPM Lea County, New Mexico Pool: BAUM;WOLFCAMP, SOUTH Oil 4967 Names: UNDES, LAZY J;UPPER PENN Oil 37430

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.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

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

Administrative Order DHC-4581 ENERVEST OPERATING L.L.C. 8/23/2012 Page 2 of 2

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JÁWÍ BAILEY

Director

JB/wvjj

cc: Oil Conservation Division – Hobbs State Land Office - Oil, Gas, and Minerals Division