

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4772

Order Date: August 4, 2015

Application Reference Number: pMAM1519433961

Endeavor Energy Resources, L.P.
110 N. Marienfeld Street, Suite 200
Midland, Tx. 79701

Attention: Mr. Jan South

Red Bull 3 Federal Well No. 1
API No. 30-025-39812
Unit D, Section 3, Township 26 South, Range 33 East NMPM
Lea County, New Mexico

Pool	RED HILLS; WOLFCAMP (GAS)	Gas (83600)
Names:	RED HILLS; BONE SPRING, NORTH	Oil (96434)

Reference is made to your recent application for an exception to Division Rule 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 appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Division Rule 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.

As per the application, the assignment of allowable and allocation of oil and gas production from the subject well shall be based actual production of this well.

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

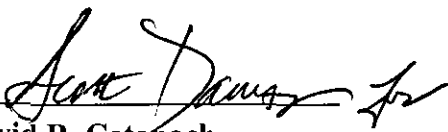
RED HILLS; WOLFCAMP (GAS) POOL	Pct. Oil: 48	Pct. Gas: 53
RED HILLS; BONE SPRING, NORTH POOL	Pct. Oil: 52	Pct. Gas: 47

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), has been given to all interest owners, due to diversified interest.

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

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 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.


David R. Catanach
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad