

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



Administrative Order DHC-4029

Order Date: 5/30/2008

Application Reference Number: pKVR0815035293

EAGLE RESOURCES LP DBA TED HOSKINSON

PO BOX 3900,

ROSWELL, NM 88202

Attention: FRANK MORGAN , VICE PRESIDENT

WENDELL BEST Well No. 001

API No: 30-041-20808

Unit J, Section 27, Township 2 South, Range 29 East, NMPM

Roosevelt County, New Mexico

Pool: Tule; Montoya (Gas) Gas 86442

Names: Tule;Penn (Gas) Gas 86443

Reference is made to your recent application for an exception to Rule 303.A. 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 Rule 303.C., 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 Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

Tule; Montoya (Gas) Pool	Pct Gas: 35	Pct Oil: 0
Tule;Penn (Gas) Pool	Pct Gas: 65	Pct Oil: 0

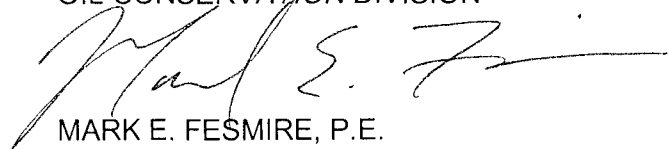
These percentages shall be amended only with written permission of the Division.



REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Hobbs