New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



Administrative Order DHC-4193 Order Date: 6/18/2009 Application Reference Number: pKAA0914042862

RKI EXPLORATION & PRODUCTION, LLC 3817 NW EXPRESSWAY, SUITE 950 OKLAHOMA CITY, OK 73112

Attention: Ben Stone, Consultant

PINNACLE STATE Well No. 023 API No: 30-015-36217 Unit O, Section 36, Township 22 South, Range 28 East, NMPM Eddy County, New Mexico Pool: UNDES CULEBRA BLUFF;BONE SPRING, SOUTH Oil 15011 Names: HERRADURA BEND;DELAWARE, EAST Oil 30670

Reference is made to your recent application for an exception to Rule 12.9A. 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 12.11A., 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 12.11A.(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 supplied to the Division within 60 days following completion of this well or of this workover.

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

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Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

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