



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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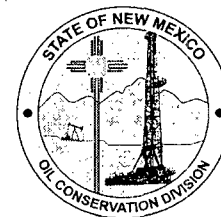
Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



October 5, 2010

Administrative Order DHC-4320

Application Reference Number: pTGW1025749715

Fasken Oil and Ranch, Ltd.
303 W. Wall Ave. #1800
Midland, TX 79701
Attn: Kim Tyson

Re: Federal 26A Well No. 4
API No. 30-025-39809

Pool: South Corbin; Queen (Oil) (13920)
E-K; Delaware (Oil) (21655)

Dear Ms. Tyson:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described 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.

In accordance with Division Rule 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 as follows:

South Corbin; Queen Pool	Pct Gas: 25%	Pct Oil: 20%
E-K; Delaware Pool	Pct Gas: 75%	Pct Oil: 80%



It is our understanding that the above allocation percentages are based on production from other wells in the vicinity that are completed in these formations.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

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

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

MEF/db

cc: Oil Conservation Division – Hobbs
United States Bureau of Land Management