



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Permit PC-1226
October 19, 2010

Fasken Oil & Ranch, Ltd.
303 W. Wall Street
Suite 1800
Midland, TX 79701

Attention: Kim Tyson

The above named company is hereby authorized to surface commingle oil and gas production from the following oil Pools within the Federal 26A Lease encompassing the SE/4 and E/2 SW/4 of Section 26, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico (federal lease No. NM-26692).

- a. E-K; Delaware (21655) Pool
- b. E-K; Bone Spring (21650) Pool
- c. South Corbin; Queen (13290) Oil Pool

Currently the following wells are located or will soon be located on this lease:

- a. Well No. 1 30-025-29249 Unit Letter N
- b. Well No. 3 30-025-39008 Unit Letter P
- c. Well No. 4 30-025-39809 Unit Letter E
- d. Well No. 5 30-025-39810 Unit Letter J
- e. Well No. 6 30-025-39811 Unit Letter O

It is our understanding:

- a. Ownership is identical within this lease area for these three oil Pools.
- b. The sales point for oil and gas is located "on lease" in Unit letter N of Section 26.

The operator is allowed to use periodic well tests to allocate production between wells on this lease.



NOTE: The Operator/producer shall notify the transporter of this commingling authority. The operator shall notify the district office of the Division upon commencement of commingling operations.



MARK E. FESMIRE, P.E.,
Acting Division Director

MEF/wvj

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