New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

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



Administrative Order DHC-4354 Order Date: 3/21/2011 Application Reference Number: pTGW1103858093

LIME ROCK RESOURCES A, L.P. 1111 BAGBY STREET, SUITE 4600 HOUSTON, TX 77002

Attention: Mike Pippin

STALEY STATE Well No. 009 API No: 30-015-36564 Unit O, Section 30, Township 17 South, Range 28 East, NMPM Eddy County, New Mexico Pool: RED LAKE; GLORIETA YESO, NORTHEAST Oil 96836 Names: RED LAKE;QUEEN-GRAYBURG-SA Oil 51300

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.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or 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Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

J. DANIEL SANCHEZ Acting Director

JDS/wvjj

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