

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

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

JAMI BAILEY
Division Director
Oil Conservation Division



Administrative Order DHC-4483

Order Date: 12/22/2011

Application Reference Number: pTGW1135458428

LRE OPERATING, LLC
3104 N. Sullivan
Farmington, NM 87401

Attention: Mike Pippin LLC Agent

KERSEY WILLIAMS A FEDERAL Well No. 010
API No: 30-015-37248
Unit H, Section 28, Township 17 South, Range 28 East, NMPM
Eddy County, New Mexico

Pool:	ARTESIA; GLORIETA-YESO (O)	Oil 96830
Names:	RED LAKE;QUEEN-GRAYBURG-SA	Oil 51300

Reference is made to your recent application for an exception to 19.15.12.9A NMAC 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 19.15.12.11A NMAC, 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.

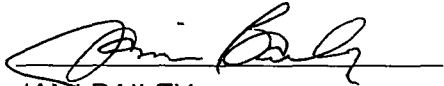
In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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.



Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/wvj

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad