State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary

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



Administrative Order DHC-4540

Order Date: 4/4/2012

Application Reference Number: pTGW1208359348

SABER OIL & GAS VENTURES, LLC 400 W ILLINOIS, SUITE 950, MIDLAND, TX 79701

Attention: Nelson Patton

STUART 9 Well No. 001 API No: 30-025-25615

Unit C, Section 9, Township 25 South, Range 37 East, NMPM

Lea County, New Mexico

Pool:

JALMAT; TAN-YATES-7 RVRS (GAS)

Gas 79240

Names: LA

LANGLIE MATTIX;7 RVRS-Q-GRAYBURG

Oil 37240

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.

Assignment of allowable and allocation of production from the well shall be as follows:

| JALMAT;TAN-YATES-7 RVRS (GAS) Pool | Pct Gas: 85 | Pct Oil: 0 |
|---------------------------------------|-------------|--------------|
| LANGLIE MATTIX;7 RVRS-Q-GRAYBURG Pool | Pct Gas: 15 | Pct Oil: 100 |

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Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

cc: Oil Conservation Division – Hobbs

Bureau of Land Management - Carlsbad