



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4244
Order Date: January 4, 2010

OGX RESOURCES, LLC
Ann Ritchie, Agent
PO Box 2064
Midland TX 79702

Attention: Ann Ritchie

Challenger 1 State Well No. 1H
API No: 30-015-36535
SHL Unit D, Sec 1, T25S, R29E, NMPM (BHL in Unit M)
Eddy County, New Mexico

Pool:	Undes NW Corral Canyon; Delaware	Oil 96473	(Unit D)
Names:	East Pierce Crossing; Bone Spring	Oil 96464	(Units D, E, L, M)

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.

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

Undes NW Corral Canyon; Delaware Pool	Pct Gas: 2	Pct Oil: 52
East Pierce Crossing; Bone Spring Pool	Pct Gas: 98	Pct Oil: 48

REMARKS: The operator shall notify the Division's 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Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


2 MARK E. FESMIRE, P.E.
Director

MEF/wvjj

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