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-4259 Order Date: 2/12/2010 Application Reference Number: pWVJ1004350661

ENERVEST OPERATING L.L.C. 1001 FANNIN ST, STE 800, HOUSTON, TX 77002

Attention: Bridget Helfrich

C T BATES Well No. 004 API No: 30-025-34404 Unit N, Section 10, Township 26 South, Range 37 East, NMPM Lea County, New Mexico Pool: UNDES LEONARD;QUEEN, SOUTH Oil 38760 Names: RHODES;YATES-SEVEN RIVERS (GAS) Gas 83810

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 percentage allocation of production from the well shall be supplied to the Division within 60 days following completion of this well or of this 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Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

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MARK E. FESMIRE, P.E. Acting Director

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cc: Oil Conservation Division – Hobbs