New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Jim Noel Cabinet Secretary

Karen W. Garcia Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



Administrative Order DHC-4300 Order Date: 7/30/2010 Application Reference Number: pTGW1020850765

EDGE PETROLEUM OPERATING COMPANY, INC. c/o MARINER ENERGY, 2000 W SAM HOUSTON PKWY S HOUSTON, TX 77042

Attention: Angela Lightner

SOUTH LOVINGTON 25 Well No. 001 API No: 30-025-38877 Unit E, Section 25, Township 16 South, Range 36 East, NMPM Lea County, New Mexico Pool: LOVINGTON;UPPER PENN Oil 40710 Names: UNDES. LOVINGTON;WOLFCAMP Oil 41040

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 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Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

MEF/wvjj

cc: Oil Conservation Division – Hobbs