



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



September 9, 2010

Administrative Order DHC-4312
Application Reference Number: pTGW1017428933

OGX Resources, LLC
Attn: Ann E. Ritchie
P.O.Box 2064
Midland, TX 79702

Re: Cooper 31 Federal Well No. 1
API No. 30-015-36282

Pool: Brushy Draw; Delaware (8080)
Rock Spur; Bone Spring (52775)

Dear Ms. Ritchie:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described 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 down hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 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:

Brushy Draw; Delaware Pool	Pct Gas: 83%	Pct Oil: 68%
Rock Spur; Bone Spring Pool	Pct Gas: 17%	Pct Oil: 32%

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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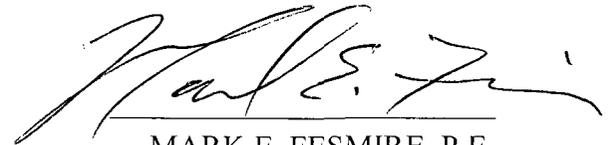
It is our understanding that the above allocation percentages are based on production tests conducted on the subject well.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

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Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Acting Director

MEF/db

cc: Oil Conservation Division – Artesia
United States Bureau of Land Management