OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa 5e, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1434

Primero Operating, Inc. P.O. Box 1433 Roswell, New Mexico 88202-1433

Attention: Mr. Phelps White

Edison 'A' WN Well No.4 Unit K, Section 26, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. Townsend Abo (59800), and Shoe Bar Wolfcamp (56290) Pools

Dear Mr. White:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the subject 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 303.C., 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 and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

		
Oil 230 B/D	Gas 460 Mcf/D	Water 460 B/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

North Vacuum Abo Pool	Oil 79%	Gas 8%
Vacuum Wolfcamp Pool	Oil 21%	Gas 92%

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.