



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0552

Attention: Ms. Ginny Larke



COMMINGLING ORDER PLC-144
1st Amendment

The above named company is hereby authorized to commingle **Indian Basin Upper Penn (Gas-79040)** and **South Dagger Draw Upper Penn (Associated-15475)** Pool production from the following leases:

Lease: North Indian Basin Unit Well Nos. 1, 4, 5, 8, 9, 31, 34 and 36

Including: Federal Lease Nos. NM-05608, NM-1832, NM-05551, and NM-51107, and State Lease No. E-10170

Description: SE/4 SE/4 of Section 4; W/2 SW/4 of Section 9; SW/4 SW/4 and SE/4 SE/4 of Section 10; and NW/4 SE/4, SW/4 NE/4 and NE/4 SW/4 of Section 16,

all in Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

The gas production from each lease shall be separately metered at the satellite facility (except Well No. 34, at the well-site) using allocation meters prior to commingling. Production shall be allocated to each lease by calculating an allocation factor by dividing individual well volumes by the total volume metered at the tail-gate of the gas processing plant. The factors shall be multiplied by the total sales meter volume to obtain individual well volumes. Liquid hydrocarbon production shall be separately metered using turbine meters, commingled and sold through a LACT unit located at the gas plant storage and measurement facility. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

NOTE: The commingled production shall be stored in the Indian Basin Gas Plant Storage and Measurement facility located in Unit Letter 'G' of Section 23, with a satellite facility located in Unit Letter 'M' of Section 10, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

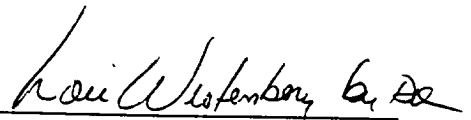
REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

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FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

PROVIDING: Like approval from the New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management is also required.

DONE at Santa Fe, New Mexico, on this 19th day of June, 2000.



LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia /
State Land Office - Oil & Gas Division
U.S. Bureau of Land Management - Carlsbad