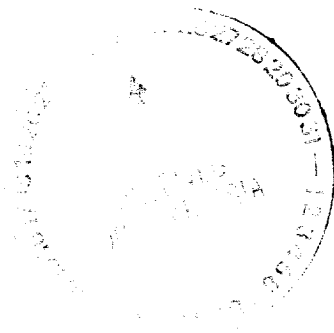




NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division



COMMINGLING ORDER CTB-500

Concho Resources, Inc.
110 W. Louisiana, Suite 410
Midland, Texas 79701

Attention: Ms. Terri Stathem

The above named company is hereby authorized to commingle Otis-Morrow (Gas - 82360) Pool production from the following leases:

Lease: Indian Draw '12' Federal Lease Well No. 1
(**API No. 30-015-30052**) (Federal Lease No. NMNM 64584)
Description: E/2 of Section 12, Township 22 South, Range 27 East, NMPM;
and
Lease: Indian Draw '13' Lease Well No. 1 (**API No. 30-015-29714**)
Description: W/2 of Section 13, Township 22 South, Range 27 East, NMPM

all located in Eddy County, New Mexico.

Gas production shall be allocated to each lease by separately metering the production from each lease prior to commingling. Oil production will be measured individually and sold at each well's tank battery.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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.

REMARKS: The common gas sales meter is located in the NW/4 SW/4 (Unit L) of Section 18, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

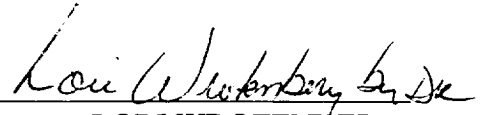
FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

Commingling Order CTB-500

August 21, 2000

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DONE at Santa Fe, New Mexico, on this 21st day of August, 2000.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

LORI WROTENBERY,
Division Director

LW/MWA/kv

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