



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PC-916 5th Amendment

ConocoPhillips
PO Box 2197, WL3 6106
Houston, TX 77252-2197

Attention: Yolanda Perez

Lease: Hardy "36" State Lease
Description: All of Section 36, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico.

The above-named company is hereby authorized to commingle Hardy Simpson-Ellenburger (Oil - 96227), North Hardy Tubb-Drinkard (Oil - 96356), South Cass-Strawn (Oil - 10460), and North Hardy-Strawn (Oil - 96893) Pool production from the above-mentioned lease in the following manner.

Oil and gas production from the Hardy 36 State Well No. 28 shall be continuously metered separately from oil and gas production from the remainder of wells producing by this operator in Section 36. Semi-annual well tests shall be used to allocate production from other wells within this Section 36.

It is our understanding that all wells and pools within Section 36, except for well No. 28 as producing from the North Hardy-Strawn Pool, are of identical ownership. It is also our understanding that all interest owners involved in this proposed commingle have been notified and have granted waivers.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

As per Division Rule 303B.(1)(b), if federal, Indian or state lands are involved, the United States bureau of land management or the commissioner of public lands for the state of New Mexico (as applicable) shall be notified of the proposed commingling prior to this order being valid.

NOTE: Commingled production shall be stored at the Hardy "36" State Lease tank battery,

located in the NE/4 SW/4 of Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

Approved at Santa Fe, New Mexico on January 25, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, reading "Mark E. Fesmire" followed by a circled "wvs" in parentheses.

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Hobbs
State Land Office – Oil and Gas