



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-516

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

Attention: Ms. Terri Stathem

The above named company is hereby authorized to commingle Diamond Mound-Morrow Gas Pool production from the following leases:

Lease: Fargo "11" Federal Lease (Lease No. NM-7066)
Description: W/2 of Section 11, Township 16 South, Range 27 East, NMPM;

Lease: Carbon Valley "14" Federal Lease (Lease No. NM-84851)
Description: W/2 of Section 14, Township 16 South, Range 27 East, NMPM;

All in Eddy County, New Mexico

Production shall be allocated by separately metering the gas production from each lease prior to commingling. Gas production shall then be commingled, transported and sold at a CPD meter located on the Carbon Valley "23" Federal Lease in the SE/4 NE/4 of Section 23, Township 16 South, Range 27 East, NMPM.

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.

FURTHER: The operator shall notify the Artesia district office of the Division prior to commingling. This order supersedes Division Order No. OLM-17 dated October 20, 2000.

DONE at Santa Fe, New Mexico, on this 22nd day of August, 2001.

LORI WROTENBERY,
Division Director

LW/DRC

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