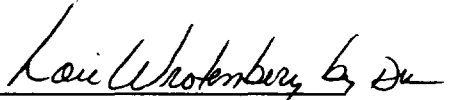


Amended Commingling Order PLC-132
Conoco, Inc.
August 21, 2001
Page 2

DONE at Santa Fe, New Mexico, on this 21st day of August, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad



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 PLC-132

3rd Amendment

Conoco, Inc.
10 Desta Drive, Suite 100 West
Midland, Texas 79705-4500

Attention: Ms. Ann Ritchie

The above-named company is hereby authorized to commingle Baish-Cisco (Oil – 4471), West Maljamar-Devonian (96662) and Baish-Wolfcamp (Oil – 4480) Pool production from the following leases:

Lease: Elvis Well No. 1 (Federal Lease No.LC-029405-A)
West Maljamar-Devonian Pool

Description: NW/4 of Section 20, and,

Lease: Elvis Well No. 2 (Federal Lease No.LC-029405-B)
Baish-Wolfcamp Pool

Description: SW/4 SE/4 of Section 17, and,

Lease: Elvis Well No. 4 (Federal Lease No.LC-029405-B)
Baish-Wolfcamp and Baish-Cisco Pools

Description: SE/4 NW/4 of Section 20,

all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling

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 commingled production shall be stored in the Elvis Consolidated tank battery facility located in the SE/4 NW/4 of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

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

AMEND PLC-132 6/20/01

OIL CONSERVATION DIV.

May 24, 2001

01 MAY 31 PM 2:31

New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
P.O. Box 6429
Santa Fe, NM 87504

Att: Mr. David Catanach, Engineering

RE: **Conoco, Inc.**, Elvis, Well #4, Section 20, T17S, R32E, Unit Ltr F,
Surface Commingling Order PLC-132

Dear Mr. Catanach,

Conoco, Inc. has recently applied to recomplete the above referenced well in the Baish Wolfcamp (04480). This well previously produced from the Baish Cisco (04471). Both of these pools are currently permitted for surface commingling into the "Elvis Consolidated" tank battery located in Unit Letter F, Section 20, T17S, R32E, NMPM, Lea County, New Mexico.

The lease description for each well on the Elvis property is as follows:

Lease: Elvis Well Nos. 1 and 4 (Federal Lease No. LC 029405-A) (30-025-33584/33849)
Description: N/2 of Section 20, and,

Lease: Elvis Well No. 2 (Federal Lease No. LC 029405-B) 30-025-33854
Description: W/2, W/2 NE/4, W/2 SE/4 of Section 17, and,

Lease: Elvis Well No. 3 (Federal Lease No. LC-060329)
Description: E/2 NE/4, E/2 SE/4 of Section 17,

All in T17S, R32E, NMPM, Lea County, New Mexico

The surface commingling application adding the Baish Wolfcamp has previously been sent to the royalty and overriding royalty interest owners. This current notification will be sent to the Bureau of Land Management as noticed below, due to the change in pools for Well #4. Please see enclosed the updated justification and status as per well, along with an updated plat and battery diagram. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6381, (915) 682-1458-fax

cc: BLM-Roswell, MMS-Denver, OCD-Hobbs, Conoco-Midland/Reesa Wilkes

ELVIS NO. 4 LEASE – SURFACE COMMINGLING BAISH-WOLFCAMP

Conoco Inc. is seeking administrative approval to add the Baish-Wolfcamp to its surface commingling order for its three Elvis wells located in Sections 17 and 20, T17S, R32E, Lea County, New Mexico (see plat attached). The Elvis No. 4 well has been producing from the Baish-Cisco since it was completed in 1997. This well was tied into the Elvis Central Tank Battery at this time and still has this flowline in place. The Elvis No. 4 appears to have good potential in the Baish-Wolfcamp and a recompletion to this zone is expected to occur in May 2001. The current Amended Commingling Order PLC-132 does not authorize Conoco to surface commingle Elvis No.4 production from the Baish-Wolfcamp. It does authorize Baish-Wolfcamp production from the Elvis No. 2 lease to be surface commingled with the Elvis No. 1 Baish-Devonian and No. 4 Baish-Cisco lease production. Initially the Elvis No. 4 Baish-Cisco completion will be isolated below a bridge plug until a stabilized rate can be determined for the Baish-Wolfcamp completion. After this is done and proper down-hole commingling authority is received, plans are to combine these zones in the Elvis No. 4 wellbore.

The Baish-Wolfcamp horizon in the Elvis No. 2 produces sweet 39.4 degree API crude and sweet gas with a specific gravity of 0.8891, a 1471 gross dry BTU/SCF content, and a 10.1 GPM. Similar oil and gas characteristics are anticipated from the Baish-Wolfcamp recompletion in the Elvis No. 4. The Baish-Cisco completion in the Elvis No. 4 is not currently producing any oil. However, when it did produce, its oil was sweet with a gravity of 40 degrees API and the gas is sweet, with a specific gravity of 0.934, a 1509 gross dry BTU/CF content, and a 10.9 GPM. The Elvis No. 1 produces sweet crude with an average gravity of 48 degrees API and sweet gas that has a specific gravity of 1.3275, a 2095 gross dry BTU/SCF content, and a 19.5 GPM. Conoco's Crude Oil Trading Department purchases this crude oil based on a 40 degree API price. Normally any crude with an API gravity higher than 45 degrees is charged a penalty, but this is not the case for the Elvis No. 1 well's oil production. Thus, the surface commingling of these oils has a neutral impact on the price received for the oil production from combining them at the battery prior to sale. As for the Elvis No. 4 Baish-Wolfcamp gas produced into the Elvis Central Tank Battery, it plus all gas produced from the other Elvis wells will have gas gravities, BTU contents, and GPM's measured periodically to assure that proper value is being determined for all of this gas and accurate royalties paid.

Each of the Elvis wells, including the Elvis No. 4, has a separate flowline that carries their produced fluids to the Elvis Central Tank Battery, located at Unit Letter "F", Section 20, T17S, R32E, NMPM, Lea County, New Mexico. At the battery each well's flowline enters its own treating vessels. The produced fluids are not commingled until after they are metered. The metered oil, water, and gas volumes are used to allocate the appropriate sales volumes back to each of the wells. The oil is sold through a single master meter on a LACT unit and the natural gas is sold through a single master EFM meter. This set up assures proper volume and value allocation of oil, gas, and water to each well and lease takes place.

Baish-Cisco 40 API oil - 4471
Baish-WC 40 API oil 4480
U. Mayan De 160 API oil

ELVIS NO. 4 LEASE – SURFACE COMMINGLING BAISH-WOLFCAMP

VALUE COMPARISON WITH AND WITHOUT SURFACE COMMINGLING

CONOCO ELVIS LEASE – FEDERAL LEASE CODE LC 029405 (A)

WELL NAME & NUMBER	HORIZON	OIL RATE BOPD	API GRAVITY DEGREES	OIL PRICE \$ / BO	REVENUE \$ / DAY
Elvis No. 1	Devonian	150	48	\$26.00	\$3900.00
Elvis No. 4	Cisco	0	40	\$26.00	\$0000.00
Total		185		\$26.00	\$3900.00

CONOCO ELVIS LEASE – FEDERAL LEASE CODE LC 029405 (A)

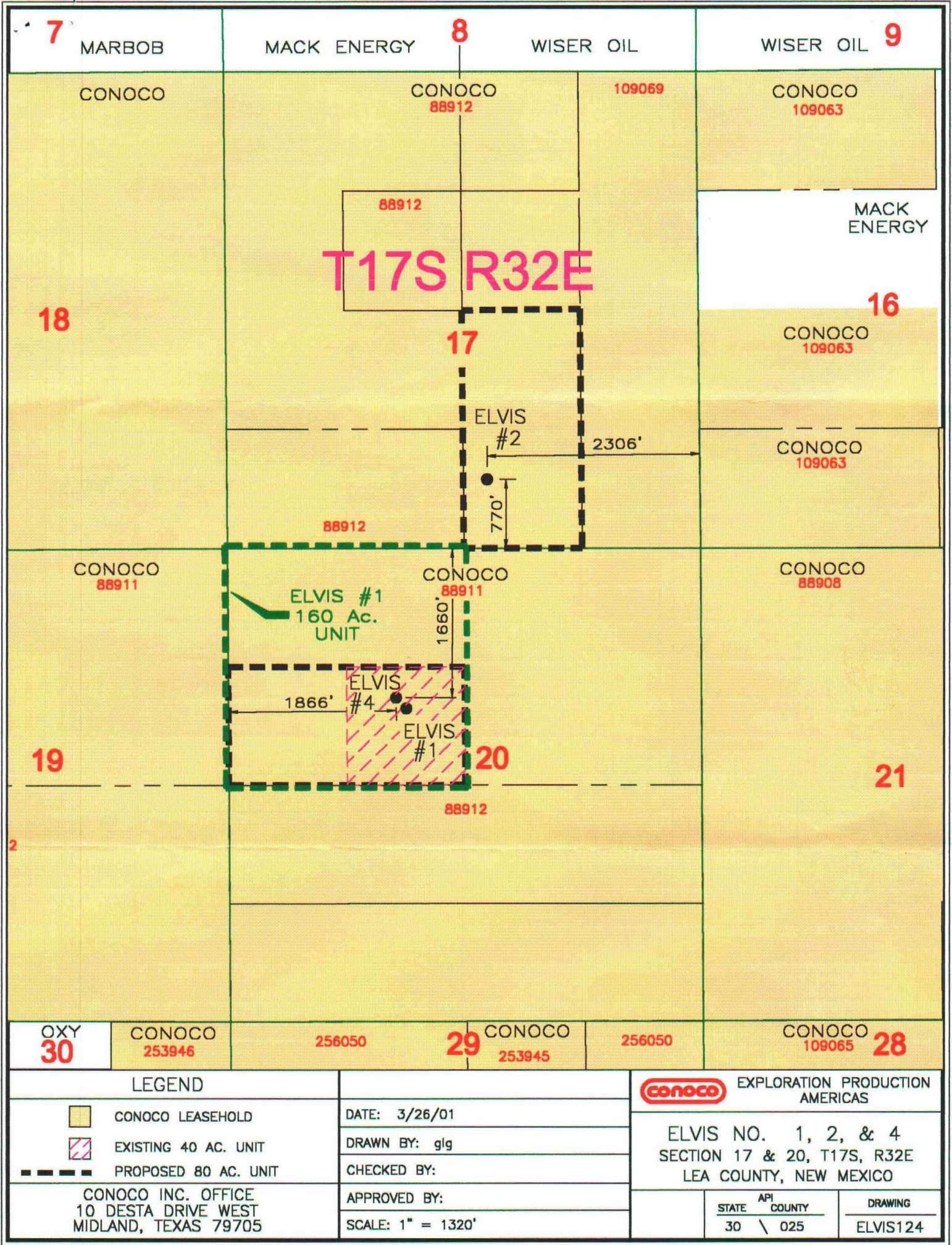
WELL NAME & NUMBER	HORIZON	OIL RATE BOPD	API GRAVITY DEGREES	OIL PRICE \$ / BO	REVENUE \$ / DAY
Elvis No. 4	Wolfcamp (development)	35	39.4	\$26.00	\$ 910.00

CONOCO ELVIS LEASE – FEDERAL LEASE CODE LC 029405 (B)

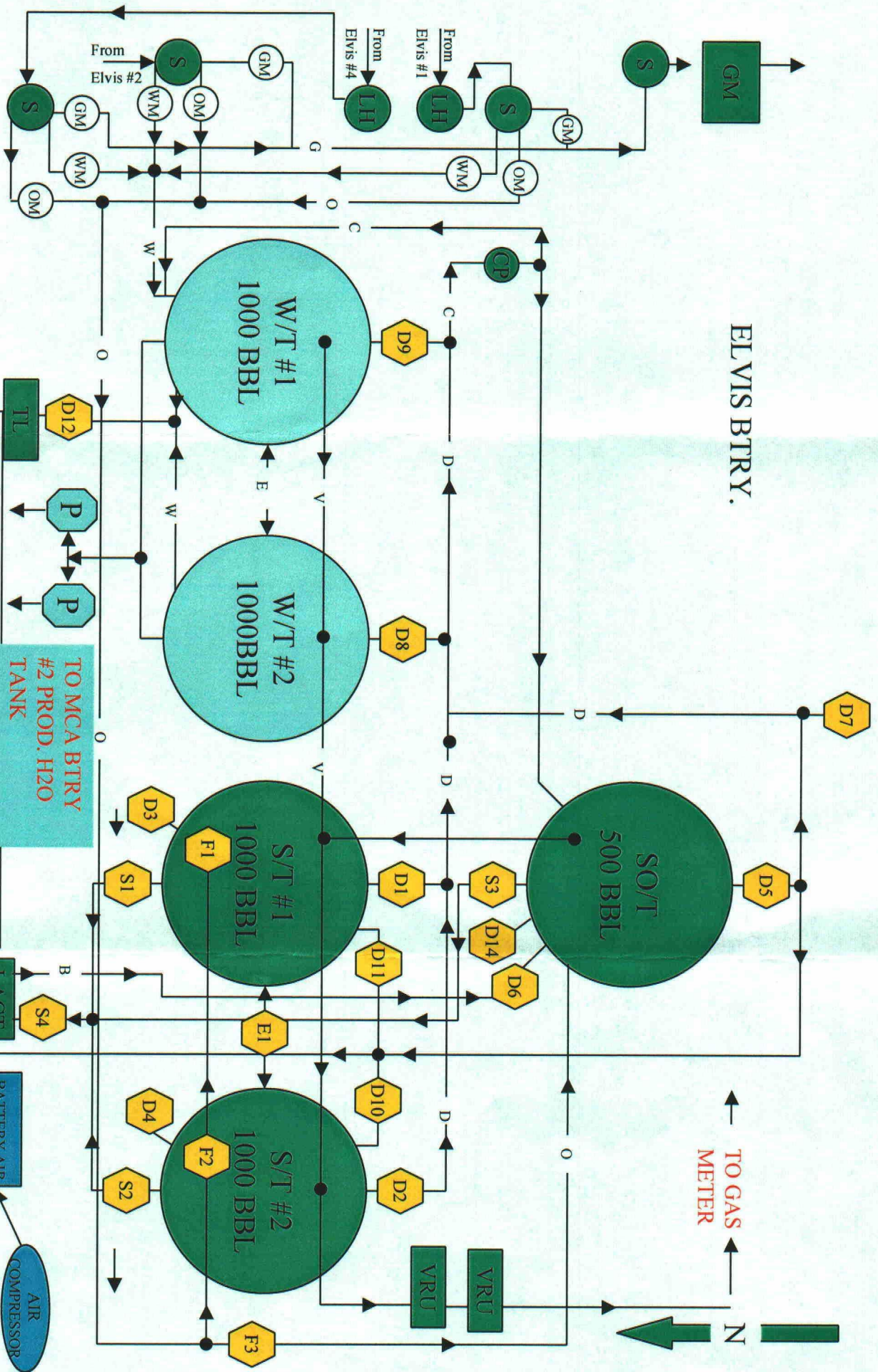
WELL NAME & NUMBER	HORIZON	OIL RATE BOPD	API GRAVITY DEGREES	OIL PRICE \$ / BO	REVENUE \$ / DAY
Elvis No. 2	Wolfcamp	35	39.4	\$26.00	\$ 910.0

CONOCO ELVIS LEASES AFTER DEVELOPMENT WITH COMMINGLING

WELL NAME & NUMBER	HORIZON	OIL RATE BOPD	API GRAVITY DEGREES	OIL PRICE \$ / BO	REVENUE \$ / DAY
Elvis No. 1	Devonian	150	48	\$26.00	\$3900.00
Elvis No. 4	Cisco	0	40	\$26.00	\$0000.00
Elvis No. 2	Wolfcamp	35	39.4	\$26.00	\$ 910.0
Elvis No. 4	Wolfcamp (development)	35	39.4	\$26.00	\$ 910.00
Total		220		\$26.00	\$5720.00



ELVIS BTRY.



Conoco Inc. Revised 5/7/01
 Lease: ELVIS BTRY
 Location: S20 T17S R32E

This lease is subject to the site security plan for the OASENM OU Mid Continent Region. The plan is located at: Conoco Inc.
 10 Desta Dr. Suite 100W
 Midland, TX 79705