

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

AMENDED COMMINGLING ORDER PC-540

Union Oil Company of California  
P.O. Box 671  
Midland, TX 79702

Attention: Charlotte Beeson

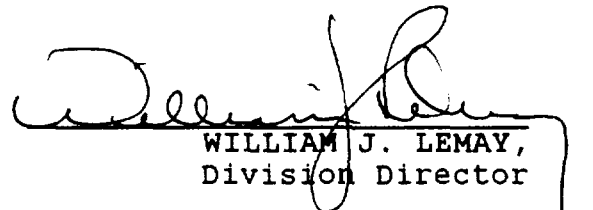
LEASE NAME: State "35" Lease  
DESCRIPTION: SW/4 Section 35, Township 17 South, Range 33 East,  
NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle Corbin Queen, Corbin Abo and Maljamar Grayburg San Andres Pool production in a common tank battery and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

NOTE: 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.

REMARKS: This amendment authorizes the commingling of Maljamar Grayburg San Andres Pool production with the previously approved Corbin Queen and Corbin Abo Pool production.

DONE at Santa Fe, New Mexico, on this 21st day of June, 1989.

  
WILLIAM J. LEMAY,  
Division Director