STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

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

AMENDED COMMINGLING ORDER PC-606

Chevron U.S.A., Inc. Attention: C.O. Blake P.O. Box 688 Eunice, NM 88231

LEASE NAME: Lillie Lease DESCRIPTION: NW/4 Section 23, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle Fowler-Upper Yeso, Fowler-Ellenburger and South Fowler-Tubb Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, 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.

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

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 order deletes Fowler-Montoya Pool production from the previously approved commingled stream and authorizes Fowler-Ellenburger and South Fowler-Tubb Pool production to be commingled with Fowler-Upper Yeso Pool production. All production should be stored at a new tank battery to be located in the NW/4 NW/4 of Section 23.

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DONE at Santa Fe, New Mexico, on this 4th day of February, 1993.

100 WILLIAM J. LEMAY, Director

cc: Oil Conservation Division- Hobbs