

OIL CONSERVATION DIVISION

AMENDED COMMINGLING ORDER PC-916

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

Attention: Mr. Jerry W. Hoover

LEASE NAME: Hardy '36' State Lease
DESCRIPTION: All of Section 36 except NW/4 NW/4, Township 20 South, Range 37 East, NMMPM, Lea County, New Mexico

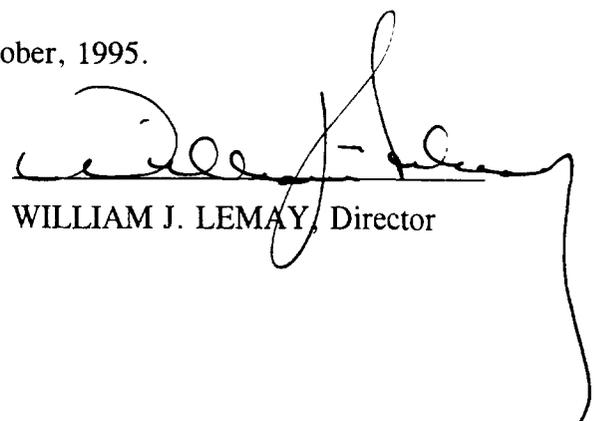
The above-named company is hereby authorized to commingle Hardy Simpson Ellenburger and North Hardy Tubb-Drinkard Pool production in a common tank battery and to determine the production from each pool by separately metering the production from the Hardy Simpson Ellenburger Pool and determining the North Hardy Tubb-Drinkard Pool production by the subtraction method.

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.

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

REMARKS: Commingled production shall be stored in the Hardy '36' State Lease tank battery facility located in Unit Letter "K" of Section 36, Township 20 South, Range 37 East, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 17th day of October, 1995.



WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division- Hobbs
State Land Office - Oil & Gas Division

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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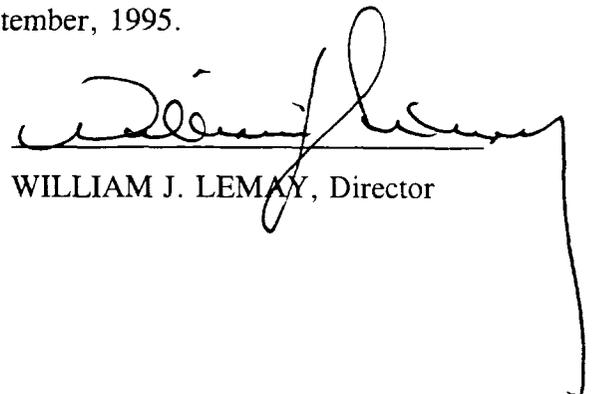
The above-named company is hereby authorized to commingle Hardy Simpson and North Hardy Tubb-Drinkard Pool production in a common tank battery and to determine the production from each pool by separately metering the production from each well prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 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.

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

REMARKS: Commingled production shall be stored in the Hardy '36' State Lease tank battery facility located in Unit Letter "K" of Section 36, Township 20 South, Range 37 East, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 13th day of September, 1995.



WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division- Hobbs
State Land Office - Oil & Gas Division