



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

**COMMINGLING ORDER PC-974
3rd Amendment**

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

Attention: Ms. Ann E. Ritchie

Lease: Southeast Monument Unit (SEMU) Permian Wells No. 16, 24, 42, 126, 141 and 144 (To be commingled with existing SEMU Permian Grayburg production.)
Description: SE/4 SW/4 of Section 13, NE/4 NE/4, SE/4 SE/4 of Section 24, Township 20 South, Range 37 East, NMPM, and SE/4 NW/4 of Section 30, NW/4 NW/4, SW/4 SW/4 of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle **Monument-Tubb (Oil – 47090)**, Eumont Yates-Seven Rivers-Queen (Oil - 22800) and Skaggs Grayburg (Oil - 57380) Pool production from the above mentioned lease and to determine production from each pool by well test. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on 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. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest. Gas production will be separately metered.

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: Commingled production shall be stored in the SEMU Permian tank battery facility located in Unit Letter 'K' of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

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

PROVIDING: Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.