



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-981

Apache Corporation
2000 Post Oak Blvd., Suite 1000
Houston, Texas 77056-4400

Attention: Ms. Deborah K. Hoyt

LEASE NAME: Owen 'B' Lease
DESCRIPTION: SW/4 of Section 34, Township 21 South, Range 37 East,
NMPM, Lea County, New Mexico.

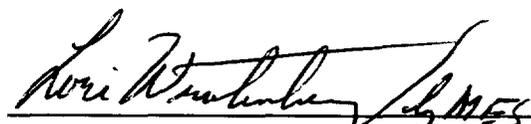
The above-named company is hereby authorized to commingle Blinebry Oil & Gas (Oil - 6660), Tubb Oil & Gas (Oil - 60240), Drinkard (10190) and Wantz Abo (62700) Pool production in a common tank battery and to determine the production from each pool by well tests. This method is authorized only so long 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 the 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.

FURTHER: The Owen 'B' Well No.1 has an existing permit for downhole commingling of production from the Blinebry and Drinkard Pools (DHC-1323). 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 Owen 'B' tank battery facility located in the SW/4 of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 7th day of August, 1998.


LORI WROTENBERY, Director

LW/BES/kv

cc: Oil Conservation Division - Hobbs