

OIL CONSERVATION DIVISION

COMMINGLING ORDER PLC-116

Exxon Company, USA
P.O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Don J. Bates

The above named company is hereby authorized to commingle Penrose Skelly Grayburg (IDN 50350) and Hare San Andres (Gas - IDN 78080) Pool production from the following leases:

Lease: New Mexico 'V' State (Lease No.61992)
Description: SW/4 Section 10, and;

Lease: New Mexico 'FO' State Com Well No.1 (Lease No.34452)
Description: SE/4 Section 10;

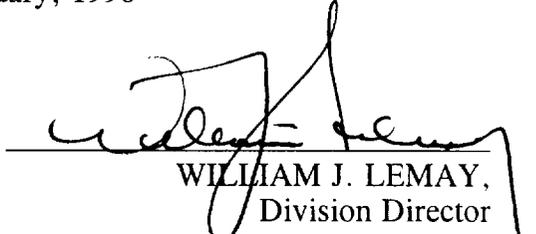
all in Township 21 South, Range 37 East, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling. All gas production shall be metered and sold separately.

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 upon implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 5th day of February, 1996


WILLIAM J. LEMAY,
Division Director

WJL/BES

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