



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-124

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0559

Attention: Mr. Thomas M. Price

The above named company is hereby authorized to commingle Indian Basin Upper Penn (Associated - 33685) and South Dagger Draw Upper Penn (Associated - 15475) Pool production from the following leases:

Lease: North Indian Basin Unit (Including Com # NM-SW 242)
Including: Federal Lease Nos. NM-0487-B, NM-05608, NM-05551,
NM-05551-B and NM-SW242; State Lease Nos. E-7906 and E-10170
Description: Section 2, S/2 Section 3, Section 10 and Section 11, Twp 21-S, Rge 23-E

Lease: Comanche Federal Lease (Including Com # NM-SW 242)
Including: Federal Lease No. NM-04827-B and NM-34623
Description: N/2 of Section 3, Twp 21-S, Rge 23-E

Lease: Bone Flats Federal 12 Lease
Including: Federal Lease Nos. NM-05608, NM-81677 and NM-05551-A.
Description: Section 2, Twp 21-S, Rge 23-E

Lease: MOC Federal Lease
Including: Federal Lease No. NM-04827-B
Description: Sections 1, Twp 21-S, Rge 23-E

Lease: Stinking Draw Lease
Including: State Lease Nos. K-1877 and E-10169-1
Description: Section 36, Twp 20 1/2-S, Rge 23-E

All in Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each pool prior to commingling.

NOTE: The commingled production shall be stored in the 'MOC Central' tank battery facility located in Unit Letter D of Section 1, Township 21 South, Range 23 East.

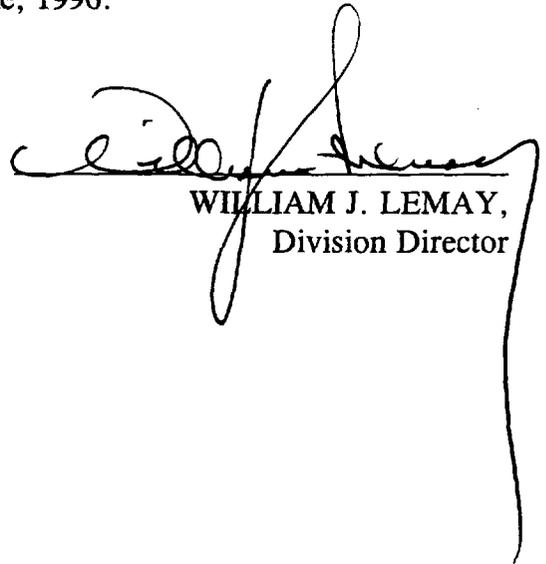
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

NOTE: This order supersedes Division Order CTB-397 and such order is hereby placed in abeyance.

PROVIDING: Validation of this authority shall be accomplished by like approval by the New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 24th day of June, 1996.



WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division
U.S. Bureau of Land Management - Carlsbad