



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED COMMINGLING ORDER PLC-124

(2nd Amendment)

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

Attention: Mr. A.B. Schoffmann

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, and,

Lease: Comanche Federal Lease (Including Com # NM-SW 242)
Including: Federal Lease No. NM-04827-B, NM-34623, NM-0384623
Description: N/2 of Section 3, and,

Lease: Bone Flats Federal 12 Lease
Including: Federal Lease Nos. NM-05608, NM-81677 and NM-05551-A
Description: Section 12, and,

Lease: MOC Federal Lease
Including: Federal Lease No. NM-04827-B
Description: Section 1,

all in Township 21 South, Range 23 East, and,

Lease: Stinking Draw Lease
Including: State Lease Nos. K-1877 and E-10169-1
Description: Section 36, Twp 20 ½-S, Rge 23-E

Lease: Indian Hills State Com Lease
Including: State Lease No. E-10083
Description: Section 36, Twp 20-S, Rge 24-E

All in Eddy County, New Mexico.

The production from each pool shall be separately metered prior to commingling. Production shall be allocated to each lease and well by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

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.

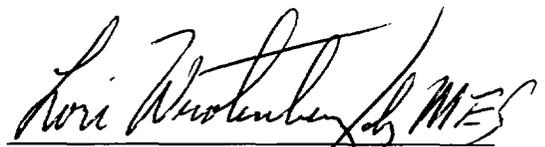
REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter 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 from the New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 31st day of July, 1998.



LORI WROTENBERY,
Division Director

LW/MWA/kv

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