



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PLC-174

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. Larry M. Sanders

The above-named company is hereby authorized to commingle Vacuum-Yates (Oil – 62400) and Vacuum-Drinkard (Oil – 62110) Pool production from the following leases:

Lease: Santa Fe Well No. 97 (State Lease No. NM-2073)
(API No. 30-025-20791)
Description: SE/4 SW/4 of Section 33, Township 17 South, Range 35 East, NMPM;

Lease: Santa Fe Well No. 133 (State Lease No. NM-B-1861)
(API No. 30-025-32333)
Description: SW/4 SE/4 of Section 31, Township 17 South, Range 35 East, NMPM;

Lease: Santa Fe Well No. 134 (State Lease No. NM-B-1502)
(API No. 30-025-32414)
Description: NW/4 of Section 5, Township 18 South, Range 35 East, NMPM;

Lease: Santa Fe Well No. 135 (State Lease No. NM-1606)
(API No. 30-025-32438)
Description: Lots 2 & 3 of Section 31, Township 17 South, Range 35 East, NMPM;

Lease: Santa Fe Well No. 136 (State Lease No. NM-B-2517)
(API No. 30-025-33928)
Description: SW/4 NW/4 of Section 33, Township 17 South, Range 35 East, NMPM;

located in Lea County, New Mexico.

Production shall be allocated to each lease 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: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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

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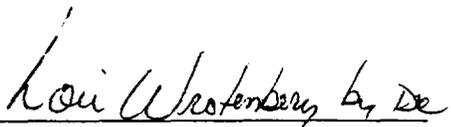
to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in the Santa Fe Well No. 133 tank battery facility located in SW/4 SE/4 of Section 31, Township 17 South, Range 35 East, Lea County, New Mexico.

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

PROVIDING: Like approval from the State Land office is also required.

DONE at Santa Fe, New Mexico, on this 7th day of August, 2000.



LORI WROTENBERY,
Division Director

LW/MWA/kv

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