



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 PC-1040

Concho Resources, Inc.
Suite 410
110 W. Louisiana
Midland, Texas 79701

Attention: Ms. Terri Stathem

Lease: Ore Ida "14" Federal Lease
Description: NW/4, W/2 NE/4, NW/4 SE/4 of Section 14, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

The above-named company is hereby authorized to commingle East Pierce Crossing-Bone Spring and Cedar Canyon-Delaware Pool production from the above mentioned lease and to determine production from each pool by monthly well tests.

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.

Production shall be measured and stored at a tank battery located in the NW/4 NW/4 of Section 14, Township 24 South, Range 29 East, NMPM.

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 21st day of August, 2001.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Artesia
Bureau of Land Management-Carlsbad