



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER CTB-371
1st Amendment

Citation Oil & Gas Corporation
P.O. Box 690688
Houston, Texas 77269-0688

Attention: Ms. Sharon Ward

The above named company is hereby authorized to commingle Eumont-Yates Seven Rivers Queen Pool production from the following leases:

Lease: State "C" Lease Well No. 2
Description: NE/4 of Section 24, Township 21 South, Range 35 East NMPM,
Lea County, New Mexico.

Lease: State "N" Lease Well No. 2
Description: NE/4 SE/4 of Section 24, Township 21 South, Range 35 East
NMPM, Lea County, New Mexico.

Oil 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. Gas production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

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 to notify the transporter of this commingling authority.

REMARKS: The commingled oil production shall be stored at the common tank battery facility located in Section 24, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

REMARKS: The common gas sales meter is located in Section 24, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

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

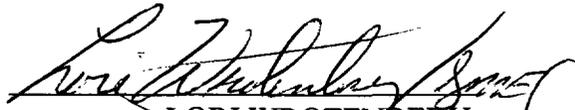
PROVIDING: Validation of this authority shall be accomplished by like approval from the State Land Office.

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DONE at Santa Fe, New Mexico, on this 7th day of June, 1999.



LORI WROTENBERY,
Division Director

LW/MWA/kv ·

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