

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

December 9, 1983

2nd Amendment COMMINGLING ORDER PC-219

Arco Oil & Gas Company New Mexico-Arizona District P.O. Box 1710 Hobbs, NM 88240

Attention: Jack R. Lane

Lease Name: Sarkeys Lease

The above-named company is hereby authorized to commingle Blinebry condensate, Blinebry oil, Wantz Abo oil, and Drinkard production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

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.

REMARKS: This is an amendment to allow for well tests to determine production allocation instead of separate metering. This does not include casing head gas from Sarkeys Wells Nos. 3 and 4 which should be metered separately.

DONE at Santa Fe, New Mexico, on this 9th day of December, 1983.

OF D. RAMEY Division Director