

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PC-465

Company Continental Oil Company
Address P. O. Box 460
City, State, Zip Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Lease Name: Lockhart B-1 Lease
Description: S/2 NW/4, S/2 NE/4, & SE/4 Section 1, Township 22 South,
Range 36 East, Lea County

The above-named company is hereby authorized to commingle production from the following pools

Downhole-commingled Blinebry-Drinkard production from one well and
Arrowhead-Grayburg production from five wells.

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to
commingling

_____ separately metering the production from

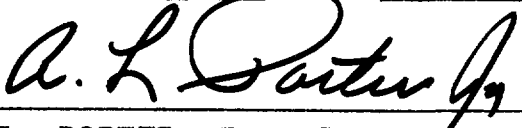
and determining the
production by the subtraction method

X 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 Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission 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 Commission Rules and Regulations and the Commission "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: Determination of total production from Well No. 7 shall be made from monthly well tests. Allocation of this production to Blinebry and Drinkard shall be made in accordance with provisions of Order No. R-4492.

DONE at Santa Fe, New Mexico, on this 15th day of November 1973.


A. L. PORTER, Jr., Secretary-Director