

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

COMMINGLING ORDER PC- 531

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

Attention: Mr. L. P. Thompson

Lease Name: Levers Federal
Description: All of Section 2, Township 21 South, Range 25 East,
NMPM, Eddy County

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

Springs-Upper Penn (Well No. 1)
Catclaw Draw-Morrow (Well No. 2)

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

 separately metering the production from each pool prior to
commingling

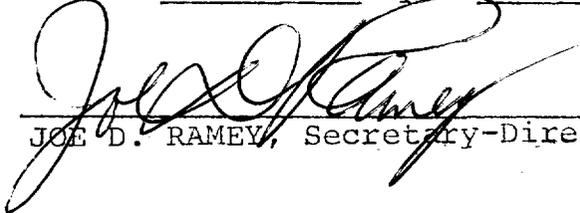
 X separately metering the distillate from the Catclaw Draw-
Morrow
and determining the Upper Springs-Penn distillate
production by the subtraction method

 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:

DONE at Santa Fe, New Mexico, on this 28th day of July 19 76.



JOE D. RAMEY, Secretary-Director