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

COMMINGLING ORDER PC-705

Cities Service Oil and Gas Corp. P. O. Box 1919 Midland, Texas 79702

Attention: Elmer Startz

Lease Name: State "DW"

Description: Sec. 12, T-18-S, R-33-E, NMPM

Lea County, New Mexico

The above-named company is hereby authorized to commingle Mescalero Escarpe-Grayburg and E-K Yates-Seven Rivers- Queen pool 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.

DONE at Santa Fe, New Mexico, on this 29th day of

January, 1985.

R. L. STAMETS, Director