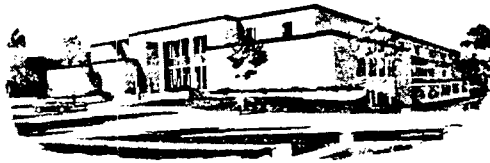


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-656

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 1, 1988

Phillips Petroleum Company
ATTENTION: Mr. Larry M. Sanders
4001 Penbrook
Odessa, Texas 79762

Re: Application for surface commingling of the production from State Lease No. B-2148-3 and B-2229-1, Lea County, New Mexico

Gentlemen:

Reference is made to your application dated January 22, 1988, wherein you have requested our approval to surface commingle production from the Philmex (lease No. B-2229-1) and the Leamex (Lease No. B-2148-3) leases. It is our understanding that production from the leases will be from the Maljamar (Grayburg-San Andres) and the Vacuum (Grayburg-San Andres) pools. Philmex Well No.'s 18, 19, 20, 21, 23, 24, 25 and 28 are completed in the Vacuum (Grayburg-San Andres) pool. Philmex Well No. 27 and Leamex Well No.'s 43 and 44 are to be completed in the Maljamar (Grayburg-San Andres) pool. These wells are located in the S/2, S/2NW/4, Section 25, E/2, NW/4 of Section 26, NW/4NE/4, S/2NE/4, SE/4NW/4 Section 35 and N/2NW/4 of Section 36, Township 17 South, Range 33 East.

The Commissioner of Public Lands has this date approved your request. Any deviation from your proposed request will be reason to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please remit a filing fee in the amount of Thirty (\$30.00) Dollars.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls

cc: OCD-Santa Fe, New Mexico
TRD-Santa Fe, New Mexico



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

AMENDED COMMINGLING ORDER PLC NO. 76

Phillips Petroleum Company
4001 Penbrook
Room 401
Odessa, TX 79762

Attention: L.M. Sanders

The above-named company is hereby authorized to commingle Maljamar Grayburg San Andres and Vacuum Grayburg San Andres Pool production from the following leases:

Leamex Lease

S/2, S/2 NW/4, Section 25, Township 17 South, Range 33 East;

Philmex Lease

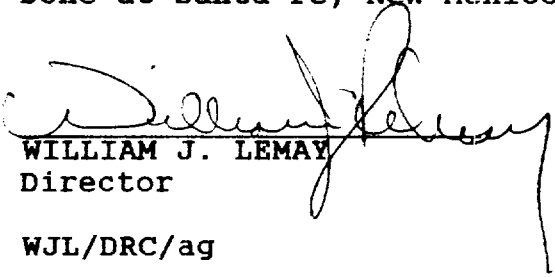
E/2, NW/4, SE/4 SW/4, Section 26, NW/4 NE/4, S/2 NE/4, SE/4 NW/4 of Section 35 and the N/2 NW/4 of Section 36, Township 17 South, Range 33 East, NMPM,

All in Lea County, New Mexico

Production shall be allocated to each lease by well tests. (All commingled production must be of identical ownership: working interest, royalty interest and overriding royalty interest.)

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations of 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 17th day of November, 1988.


WILLIAM J. LEMAY
Director

WJL/DRC/ag

cc: Oil Conservation Division - Hobbs
State Land Office - P. Martinez