



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-974 **5th Amendment**

Conoco, Inc.
10 Desta Drive, Suite 100 West
Midland, Texas 79705-4500

Attention: Ms. Ann E. Ritchie

Lease: Southeast Monument Unit (SEMU) Permian Wells No. 16, 24, 42, 126, 129, 141 and 144 (To be commingled with existing SEMU Permian Grayburg production.)

Description: SE/4 SW/4 and the SE/4 of Section 13, NE/4 NE/4, SE/4 SE/4 of Section 24, Township 20 South, Range 37 East, NMPM, and SE/4 NW/4 of Section 30, NW/4 NW/4, SW/4 SW/4 of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle Monument-Tubb (Oil - 47090), **Warren-Tubb (Gas - 87080)**, Eumont Yates-Seven Rivers-Queen (Oil - 22800) and Skaggs Grayburg (Oil - 57380) Pool production from the above mentioned lease and to determine production from each pool by well test. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on 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. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest. Gas production will be separately metered.

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: Commingled production shall be stored in the SEMU Permian tank battery facility located in Unit Letter 'K' of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Amended Commingling Order PC-974

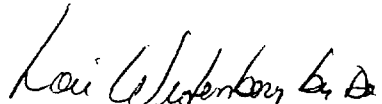
Conoco, Inc.

June 15, 2000

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PROVIDING: Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 15th day of June, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad