OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

COMMINGLING ORDER PC-977

Amerada Hess Corporation P.O. Box 840 Seminole, Texas 79360

Attention: Mr. Roy L. Wheeler, Jr.

Lease:

J.R. Phillips Well Nos. 2, 4, 5, 6, 8

Description: NE/4 of Section 1, Township 20 South, Range 36 East, NMPM,

Lea County, New Mexico.

The above-named company is hereby authorized to commingle Monument Abo (46970) Eunice Monument Grayburg San Andres (23000) and Monument Paddock (47080) Pool production in a common tank battery and to determine the production by separately metering the production from each pool prior to commingling.

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

REMARKS: 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.

NOTE: Commingled production shall be stored in the J.R. Phillips tank battery facility located in unit letter G of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 11th day of August, 1998.

Division Director

LW/MWA/kv

cc: Oil Conservation Division - Hobbs