



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-140

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0559

Attention: Ms. Ginny Larke

The above named company is hereby authorized to commingle Indian Basin Upper Penn (Associated - 33685) and Indian Basin Upper Penn (Prorated Gas - 79040) Pool production from the following leases:

Lease: Indian Hills Unit (Including Com # NM-071145)
Including: Federal Lease Nos. NM-07260, NM-07260F, NM-30482, LC-064391B
Description: SE/4 SW/4, SW/4 SE/4 of Section 20, SW/4 SW/4 of Section 21, NE/4 SW/4 of Section 28, SE/4 NW/4, NW/4 SW/4 of Section 29, and E/2 NE/4, SW/4 SE/4, SE/4 SW/4 of Section 33, and,

Lease: IB '32' State Lease (State Lease No. V-993-3)
Description: SW/4 SW/4 of Section 33,

All in Township 21 South, Range 24 East, Eddy County, New Mexico.

The production from each pool shall be separately metered prior to commingling. Production shall be allocated to each lease and well by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

NOTE: The commingled production shall be stored and measured at the facility located in Unit Letter 'P' of Section 19, Township 21 South, Range 24 East.

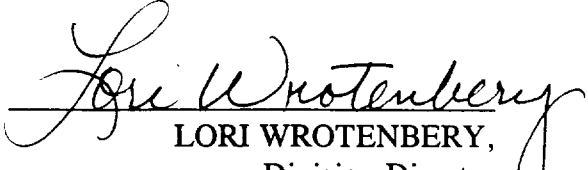
REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

PROVIDING: Validation of this authority shall be accomplished with like approval from the New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management.

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DONE at Santa Fe, New Mexico, on this 14th day of April, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

cc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division
U.S. Bureau of Land Management - Carlsbad