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

COMMINGLING ORDER PLC-155

Concho Resources, Inc. 110 W. Louisiana Midland, Texas 79701

Attention: Mr. Joe Wright

The above-named company is hereby authorized to commingle West Shugart-Wolfcamp (96686) and North Shugart-Morrow Gas (85305) Pool production from the following leases:

Lease:

West Shugart "30" Federal (Federal Lease No. NMLC029387B),

Wells No. 1 and 10

Description:

E/2, and NW/4 of Section 30, Township 18 South, Range 31 East,

NMPM, and

Lease:

West Shugart "30" Federal (Federal Lease No. NMLC029387D),

Well No. 9

Description:

SW/4 of Section 30, Township 18 South, Range 31 East, NMPM,

All in Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: Commingled production shall be stored at the tank battery facility located in the SE/4 NW/4 (Unit F), Section 30, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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 Artesia District Office of the Division upon implementation of the commingling process.

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

Administrative Commingling Order PLC-155 Concho Resources, Inc. May 26, 1999

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DONE at Santa Fe, New Mexico, on this 26th day of May, 1999.

LORI WROTENBERY,

Division Director

LW/MWA/kv

cc: Oil Conservation Division- Artesia

Bureau of Land Management - Carlsbad