STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

February 24, 1984

COMMINGLING ORDER PC-648

Arco Oil & Gas Company P.O. Box 1710 Hobbs, NM 88240

Attention: Leslie L. Malone

Lease Name: Mescalero Ridge Unit "35"

Description: Sections 26 and 35 of Township 19 South,

Range 34 East, Lea County, New Mexico

The above-named company is hereby authorized to commingle Pearl Seven Rivers and Pearl Queen pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in 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.)

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.

DONE at Santa Fe, New Mexico, on this 24th day of February, 1984.

OF D. RAMEY, Division Director