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COMMINGLING ORDER PC-681

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Sun Exploration and Production Company P. O. Box 1861 Midland, Texas 79702-9970

Attention: Dee Ann Kemp

Lease Name: New Mexico "Z" State

Description:

N/2 NE/4, Sec. 12, T-19-S, R-28-E, NMPM, Eddy County, New Mexico

The above-named company is hereby authorized to commingle East Millman, Queen-Grayburg and North Millman-San Andres pool production in a common tank battery and to determine the production from each pool by separately metering the production from the North Millman-San Andres pool and determining the East Millman Queen-Grayburg pool production by the subtraction method.

This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 NOTE: 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: Such approval is contingent upon like approval by the Commissioner of Public Lands.

DONE at Santa Fe, New Mexico, on this 5th day of November, 1984.

10-17-8-1 1

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O. C. D. ARTESIA, OTFICE

CAL LOT SURF - 2727

DIL/MSFL

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Comm. Orden PC-681 Appr. 11-5-84