

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



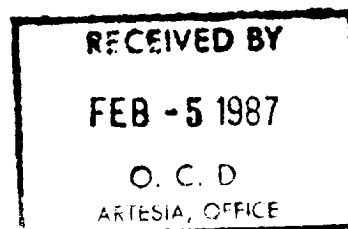
GARREY CARRUTHERS
GOVERNOR

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

February 2, 1987

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: R. E. Irelan



RE: Surface Gas Commingling
Tuesday Federal Lease
Eddy County, New Mexico

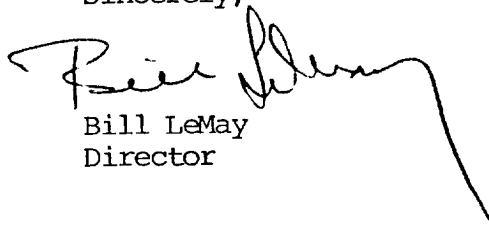
Dear Sir:

Reference is made to your request dated January 8, 1987, for authorization to surface gas commingle the gas production from your Tuesday Federal No. 1 Well located in Unit M of Section 34, T-19 South, R-29 East, and your Tuesday Federal "A" No. 1 Well located in Unit E of Section 3, T-20 South, R-29 East, both in Eddy County, New Mexico. It is our understanding that commingling is necessary in order to avoid placing another compressor on the lease and that operating costs will be substantially reduced as a result. It is further our understanding that although there is diverse interest ownership between the two wells, each well will have its own allocation meter which will meter each wells gas production prior to being commingled and going into the sales line.

You are therefore authorized to surface commingle the gas production from the Tuesday Federal No. 1 Well and the Tuesday Federal "A" No. 1 Well, located as described above, both in the South Parkway Wolfcamp Pool, Eddy County, New Mexico, after separately metering the gas production from each well prior to commingling.

It is the responsibility of the operator to notify the transporter of the commingling authority.

Sincerely,



Bill LeMay
Director

cc: ✓ OCD - Artesia
Harold Garcia
D. Catanach