

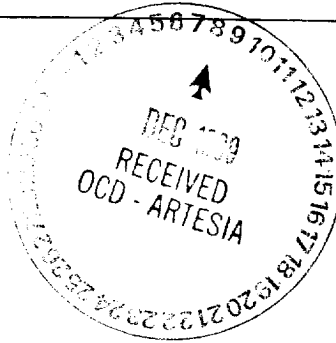


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER CTB-490

Concho Resources, Inc.
110 W. Louisiana, Suite 410
Midland, Texas 79701



Attention: Mr. Jim Blount

The above named company is hereby authorized to commingle East Carlsbad-Bone Springs (Oil - 96144) Pool production from the following leases:

Lease: Lonetree "14" State Lease Well No. 1
Description: SE/4 NE/4 of Section 14, Township 21 South, Range 27 East, NMPM; and

Lease: Lonetree State Lease Well No. 1
Description: NE/4 SW/4 of Section 13, Township 21 South, Range 27 East, NMPM

all located in Eddy County, New Mexico.

Gas production shall be allocated to each lease by separately metering the production from each lease prior to commingling. Oil production will be measured individually and sold at each well's tank battery.

NOTE: 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.

REMARKS: The common gas sales meter is located in the NE/4 SW/4 (Unit K) of Section 13, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico.

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

PROVIDING: Validation of this authority shall be accomplished by like approval from the State Land Office.

DONE at Santa Fe, New Mexico, on this 2nd day of December, 1999.

LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia /
State Land Office - Oil & Gas Division