



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

Marathon Oil Company
P.O. Box 552
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COMMINGLING ORDER PLC-144
1st Amendment

Attention: Ms. Ginny Larke

The above named company is hereby authorized to commingle **Indian Basin Upper Penn (Gas-79040)** and South Dagger Draw Upper Penn (Associated-15475) Pool production from the following leases:

Lease: North Indian Basin Unit Well Nos. 1, 4, 5, 8, 9, 31, 34 and 36
Including: Federal Lease Nos. NM-05608, NM-1832, NM-05551, and NM-51107, and State Lease No. E-10170
Description: SE/4 SE/4 of Section 4; W/2 SW/4 of Section 9; SW/4 SW/4 and SE/4 SE/4 of Section 10; and NW/4 SE/4, SW/4 NE/4 and NE/4 SW/4 of Section 16,

all in Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

The gas production from each lease shall be separately metered at the satellite facility (except Well No. 34, at the well-site) using allocation meters prior to commingling. Production shall be allocated to each lease by calculating an allocation factor by dividing individual well volumes by the total volume metered at the tail-gate of the gas processing plant. The factors shall be multiplied by the total sales meter volume to obtain individual well volumes. Liquid hydrocarbon production shall be separately metered using turbine meters, commingled and sold through a LACT unit located at the gas plant storage and measurement facility. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

NOTE: The commingled production shall be stored in the Indian Basin Gas Plant Storage and Measurement facility located in Unit Letter 'G' of Section 23, with a satellite facility located in Unit Letter 'M' of Section 10, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

REMARKS: 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.