

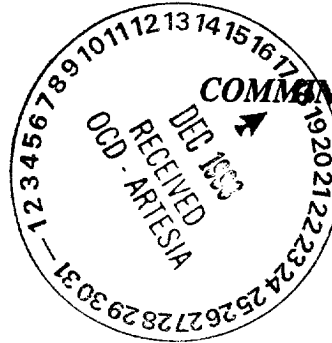


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

Chevron U.S.A. Production Company  
P.O. Box 1150  
Midland, Texas 79702-1150

Attention: Mr. Craig A. Wright



The above named company is hereby authorized to commingle South Black River Delaware (22230), North Cottonwood Delaware (51300), Undesignated Delaware (Pool IDN not yet assigned) and Wildcat Delaware (Pool IDN not available) Pool production from the following leases:

- Lease: Cable '26' Lease Well Nos.1 and 2  
Description: NW/4 NW/4 and NW/4 NE/4 respectively of Section 26, Township 25 South, Range 26 East, and,
- Lease: Marquardt Federal Lease Well Nos.4 and 7  
Description: SE/4 SW/4 and NW/4 SW/4 respectively of Section 1, Township 25 South, Range 26 East, and,
- Lease: Murchison '2' State Lease Well Nos.1, 2 and 4  
Description: E/2 NE/4 and NE/4 SE/4 of Section 2, Township 25 South, Range 26 East, and,
- Lease: White City '6' Federal Lease Well No.1  
Description: NW/4 SW/4 of Section 6, Township 25 South, Range 27 East.

All in Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: The commingled production shall be delivered to the Marquardt/Murchison commingled tank battery facility located in Unit Letter 'H' of Section 2, Township 25 South, Range 26 East, Eddy County, New Mexico.

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.

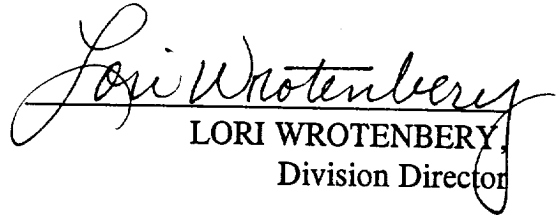
*Administrative Commingling Order PLC-138*  
*Chevron U.S.A. Production Company*  
*March 4, 1998*  
*Page 2*

---

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

PROVIDING: Validation of this authority shall be accomplished by like approval by the Commissioner of Public Lands, State Land Office and by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 4th day of March, 1998.

  
LORI WROTENBERY,  
Division Director

LW/BES/lv

cc: Oil Conservation Division - Artesia  
State Land Office - Oil and Gas Division  
Bureau of Land Management - Carlsbad