Administrative Order DHC-3014
Phillips Petroleum Company
June 11, 2002
Page 2

After 12 months of commingled production, the applicant shall consult with the supervisor of the Aztec District Office of the Division in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 11th day of June 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joi (entenlay (wvs) LORI WROTENBERY

Director

LW/WVJ

cc: Oil Conservation Division - Aztec

Bureau of Land Management - Farmington

State Land Office - Santa Fe