



COMMINGLING ORDER PC-974

Conoco, Inc.
10 Desta Drive, Suite 100 West
Midland, Texas 79705-4500

CW
Stroma
Paul

Attention: Ms. Ann E. Ritchie

Lease: Southeast Monument Unit (SEMU) Permian Well No.42 (To be
commingled with existing SEMU Permian Grayburg production.)
Description: SE/4 SW/4 of Section 13, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico.

The above-named company is hereby authorized to commingle Eumont Yates-Seven Rivers-Queen (22800) and Skaggs Grayburg (57380) Pool production from the above mentioned lease and to determine production from each well by well tests. This method is authorized only so long as all production is of marginal nature. Further, all commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

REMARKS: 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.

NOTE: Commingled production shall be stored in the SEMU Permian tank battery facility located in Unit Letter 'K' of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 28th day of May, 1998.

Lori Wrottenbery
LORI WROTENBERY,
Division Director

LW/BES/kv
cc: Oil Conservation Division - Hobbs