



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1088

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Ms. Cathy Tomberlin

LEASE: Stealth "3" State Lease
DESCRIPTION: SE/4 NE/4 and NW/4 SW/4 of Section 3, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico

WELLS: Stealth "3" No. 1 (API No. 30-015-30204)
Unit H, Section 3, T-23S, R-26E, NMPM,
Happy Valley-Delaware Pool

State "W" No. 4 (API No. 30-015-32389)
Unit L, Section 3, T-23S, R-26E, NMPM,
South Carlsbad-Delaware Pool

The above-named company is hereby authorized to commingle commonly owned Happy Valley-Delaware (Oil - 29665) and South Carlsbad-Delaware (Oil - 9692) Pool production from the above-mentioned lease and to determine production from each pool by well tests.

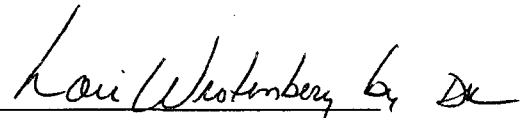
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored at the Stealth "3" Tank Battery located within the SE/4 NE/4 of Section 3, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

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February 24, 2003
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DONE at Santa Fe, New Mexico, on this 24th day of February, 2003.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", is written over a horizontal line.

LORI WROTENBERY,
Division Director

LW/DRC

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