



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER CTB-488

Conoco, Inc.
10 Desta Drive., Suite 100W
Midland, Texas 79705

Attention: Ms. Ann E. Ritchie

The above named company is hereby authorized to commingle North Hardy-Strawn Pool production from the following leases:

Lease: SEMU Well No. 134 (Federal Lease No. LC-031695A)
Description: SW/4 of Section 30, Township 20 South, Range 38 East, NMPM,

Lease: SEMU Well No. 135 (Federal Lease No. LC-031696A (Tract 1) and B-11349 (Tract 2))
Description: SE/4 of Section 25, Township 20 South, Range 37 East, NMPM, and

Lease: SEMU Well No. 136 (Federal Lease No. LC-031696A (Tract 1), B-230 (Tract 2) and E-1402 (Tract 3))
Description: SW/4 of Section 25, Township 20 South, Range 37 East, NMPM,

all located in Lea County, New Mexico.

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

NOTE: 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.

REMARKS: The commingled production shall be stored and measured at the SEMU Strawn common tank battery facility located in the SW/4 NE/4 (Unit G) of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

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

PROVIDING: Validation of this authority shall be accomplished by like approval from the Bureau of Land Management.

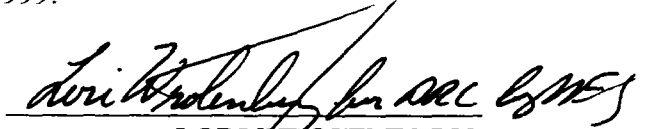
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July 21, 1999

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DONE at Santa Fe, New Mexico, on this 21st day of July, 1999.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad