



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED COMMINGLING ORDER PC-137

Exxon Company, USA
P.O. Box 1600
Midland, Texas 79702-1600

Attention: Mr. Alex M. Correa

LEASE NAME: New Mexico "S" State Lease
DESCRIPTION: All of Section 2, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico

The above-named company is hereby authorized to commingle Blinebry Oil & Gas, Tubb Oil & Gas (60240), Drinkard (19190), Wantz Abo and Wantz Granite Wash Pool production in a common tank battery and to determine production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on the commingled battery becomes capable of the allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

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

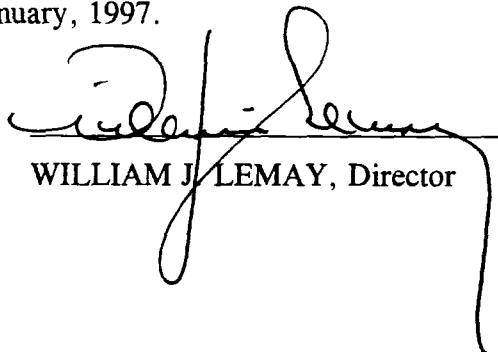
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter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

REMARKS: Well Nos.13 and 37 are downhole commingled as authorized by Division Orders DHC-1060 and DHC-769 respectively. Where there is production from the Drinkard and the Tubb Oil & Gas Pools on this lease, there is no liquid production from these pools being commingled.

DONE at Santa Fe, New Mexico, on this 21st day of January, 1997.

WJL/BES

cc: Oil Conservation Division- Hobbs


WILLIAM J. LEMAY, Director