



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PC-989

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

Attention: Ms. Ann E. Ritchie

Lease: SEMU Well No. 128
Description: NE/4 SE/4 of Section 24, Township 20 South, Range 36 East, NMPM,
Lea County, New Mexico.

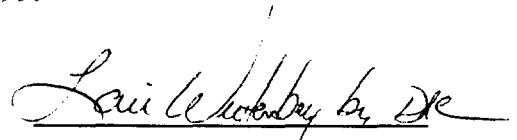
The above-named company is hereby authorized to commingle Weir-Drinkard (63840) and Skaggs-Grayburg (57380) Pool production in a common tank battery and to determine the production by separately metering the production from each pool prior to commingling.

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 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.

NOTE: Commingled production shall be stored in the Permian tank battery facility located in Section 19, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 29th day of January, 1999.


LORI WROTENBERY,
Division Director

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