

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery

Director
Oil Conservation Division

COMMINGLING ORDER PC-1011

Marathon Oil Company P.O. Box 2490 Hobbs, New Mexico 88240

Attention: Mr. Thomas P. Kacir

Lease:

Laughlin Lease

Description:

S/2 NE/4 of Section 9, Township 20 South, Range 37 East, NMPM, Lea County,

New Mexico.

The above-named company is hereby authorized to commingle Monument- Paddock (Oil – 47080) and Monument- Tubb (Oil – 47090) Pool production from the above mentioned lease and to determine production from each pool by well test. This method is authorized only so long as all commingled production is 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 top allowable production, at which time the Division will amend this order or take such other action as may be appropriate. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

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 Laughlin tank battery facility located in the SE/4 NE/4 of Section 9, 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.

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DONE at Santa Fe, New Mexico, on this 12th day of June, 2000.

LORI WROTENBERY,

Division Director

LW/MWA/kv

cc: Oil Conservation Division- Hobbs