

OIL CONSERVATION DIVISION

COMMINGLING ORDER PLC - 114

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. L.M. Sanders

The above-named company is hereby authorized to commingle Vacuum Grayburg San Andres (62180) Pool and Vacuum Abo North (61760) Pool production from the following leases:

Lease: M.E. Hale Lease (B-2317A), Grayburg/San Andres
Description: SE/4, E/2 SW/4, and;

Lease: Mable Lease (B-2317A), Grayburg/San Andres
Description: SW/4 NW/4, and;

Lease: State H-35 Lease (B-3196), Grayburg/San Andres
Description: NE/4, E/2 NW/4;

Lease: State H-35 Well No.9, Abo
Description: SE/4 NE/4;

all in Section 35, Township 17 South, Range 34 East, Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

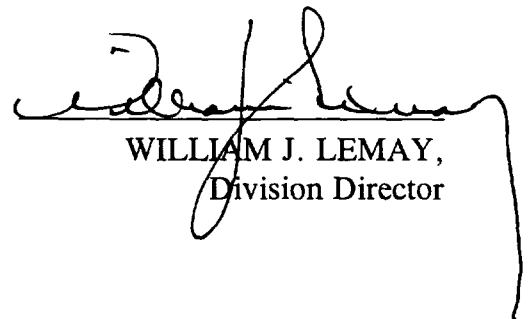
NOTE: Two previous Division Orders permitted surface commingling applicable to these leases. Order PC-826 permitted commingling of Vacuum Grayburg San Andres and Vacuum Abo North Pool production from the State H-35 Lease. This order was issued to Conoco, Inc. on March 25, 1993. Order CTB-385 permitted commingling of Vacuum Grayburg San Andres Pool production from the Mable and M.E. Hale Lease. This order was issued to Phillips Petroleum Company on February 9, 1994. Both Division Orders are hereby placed in abeyance.

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

FURTHER: 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.

NOTE: Validation of this authority shall be accomplished by like approval by the State Land Office.

DONE at Santa Fe, New Mexico, on this 29th day of November, 1995.



WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division
File PC-826; CTB-385