



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-143

ARCO Permian
P.O. Box 1610
Midland, Texas 79702-1610

Attention: Ms. Elizabeth Casbeer

The above named company is hereby authorized to commingle Red Lake Queen-Grayburg-San Andres (51300) and Empire Yeso (96210) Pool production from the following leases:

Lease: Red Lake '3' Federal Lease (Federal Lease No.LC-028805-B)
Description: SW/4 NW/4 of Section 3, and,

Lease: Vermillion '3' Federal Lease (Federal Lease No.LC-055465-B)
Description: SE/4 NW/4 of Section 3, and,

Lease: West Red Lake '4' Federal Lease (Federal Lease No.LC-065478-A)
Description: N/2 NW/4 of Section 4, and,

Lease: Lago Rosa '4' Federal Lease (Federal Lease No.NMNM-29280)
Description: NW/4 SW/4 of Section 4,

all in Township 18 South, Range 27 East, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering each well.

NOTE: The commingled production shall be delivered to a commingled tank battery facility located in Unit Letter 'E' of Section 3, Township 18 South, Range 27 East, Eddy County, New Mexico. Gas production shall be separately metered and sold.

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.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

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

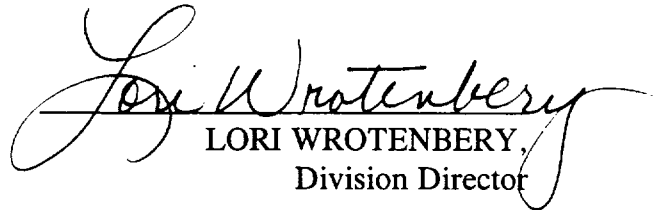
Administrative Commingling Order PLC-143

ARCO Permian

May 21, 1998

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DONE at Santa Fe, New Mexico, on this 21st day of May, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

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