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

COMMINGLING ORDER PLC-152 2nd Amendment

Maralo, LLC P.O. Box 832 Midland, Texas 79702-0832

Attention: Ms. Dorothea Logan:

The above named company is hereby authorized to commingle Bilbrey-Morrow Gas (72124), West Red Tank-Delaware (51689), Red Tank-Bone Spring (51683), and Northwest Bootleg Ridge-Delaware (06925) Pool production from the following leases:

Lease:

Bilbrey 34 Federal Lease (Federal Lease No. NM89533)

Description:

NE/4 NW/4 of Section 34, Township 21 South, Range 32 East, NMPM,

Lease:

Prohibition Federal Lease (Federal Lease No. NM85937)

Description:

S/2 NE/4 of Section 14, Township 22 South, Range 32 East, NMPM,

Lease:

Prohibition Federal Lease (Federal Lease No. NM64606)

Description:

SE/4 NE/4 of Section 12, Township 22 South, Range 32 East, NMPM,

all in Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: The commingled natural gas production shall be delivered to an off lease measuring facility located in the SW/4 NE/4 of Section 14, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

NOTE: Liquid production shall be separated, stored, and sold at each wellsite.

NOTE: 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.

FURTHER: The operator shall notify the supervisor of the Hobbs district office prior to

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implementation of the commingling process.

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

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

LORI WROTÉNBERY

Division Director

LW/MWA/kv

cc: Oil Conservation Division – Hobbs

Bureau of Land Management - Carlsbad