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

COMMINGLING ORDER PLC-168

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

Attention: Ms. Elizabeth Casbeer

The above-named company is hereby authorized to commingle Jalmat Tansill-Yates-Seven Rivers (Prorated Gas – 79240) and Langlie Mattix Seven Rivers-Queen-Grayburg (Oil – 37240) Pool production from the following leases:

Lease:

E.L. Steeler Wells No. 3, 4 and 5

Description:

S/2 of Section 19, Township 23 South, Range 37 East, NMPM,

Lease:

Eva Blinebry Wells No. 2 and 7

Description:

N/2 of Section 30, Township 23 South, Range 37 East, NMPM,

located in Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from the E.L. Steeler Wells No. 3, 4 and 5, and the Eva Blinebry Well No. 7, and determining the Eva Blinebry Well No. 2 production by the subtraction method. Oil production will not be commingled.

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.

REMARKS: The commingled production shall be metered at the master sales meter located at the Eva Blinebry Well No. 2 in the NW/4 of Section 30, Township 23 South, Range 37 East. NMPM, Lea County, New Mexico.

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

PROVIDING: Like approval from the U.S. Bureau of Land Management is also required.

Administrative Commingling Order PLC-168 ARCO Permian May 3, 2000 Page 2

DONE at Santa Fe, New Mexico, on this 3rd day of May, 2000.

LORI WROTENBERY,

Division Director

LW/MWA/kv

cc: Oil Conservation Division- Hobbs

U.S. Bureau of Land Management - Carlsbad