



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER OLM-17

Concho Resources, Inc.

Suite 410

110 W. Louisiana

Midland, Texas 79701

Attention: Mr. Erick Nelson

Carbon Valley '14' Federal Well No. 2

Unit F, Section 14, Township 16 South, Range 27 East

Eddy County, New Mexico

Diamond Mound-Morrow Pool (Gas - 76079)

Reference is made to your request dated October 6, 2000 for an exception to Division Rule 309 to permit off lease measurement of gas production from the subject well on the Carbon Valley '14' Federal Lease. Insomuch that duplicate measurement would constitute economic waste, the above named company is hereby authorized to meter gas production from the subject well at the off lease central delivery point located in Unit H, Section 23, Township 16 South, Range 27 East, NMPM, Lea County, New Mexico

PROVIDED HOWEVER THAT, all oil production originating from the Carbon Valley '14' Federal Lease shall be metered and stored in its own storage facility located on the originating lease and no commingling of production from other sources shall be allowed.

NOTE: The operator shall notify the Artesia District Office upon implementation of off-lease measurement operations.

DONE at Santa Fe, New Mexico on this 20th day of October, 2000.

Lori Wrotenbery by MWA
LORI WROTENBERY, Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia