



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1041

Concho Resources, Inc.
Suite 410
110 W. Louisiana
Midland, Texas 79701

Attention: Ms. Terri Stathem

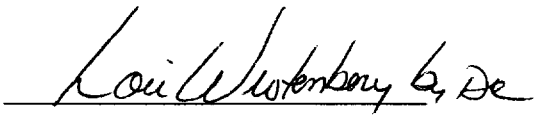
Lease: Checkers "24" Federal Lease
Description: W/2 SE/4, SW/4 SW/4 of Section 24, Township 22 South, Range 32 East,
NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle the casinghead gas production from the Red Tank-Bone Spring (Oil – 51683) and West Red Tank-Delaware (Oil – 51689) Pool production from the above mentioned lease and to determine production from each pool by separately metering the gas production utilizing allocation meters.

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 Hobbs District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 21st day of August, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

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