



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

3rd AMENDMENT - COMMINGLING ORDER CTB-338

Conoco, Inc.
P.O. Box 460
Hobbs, NM 88240

Attention: Brent D. Meyers

The above-named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool production from the following leases:

Lease: Lodewick "A" Lease
Description: NW/4 Section 19, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico;

Lease: Lehman Federal Lease
Description: SW/4 Section 18, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Lease: Barbara Federal Lease
Description: E/2 Section 18, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

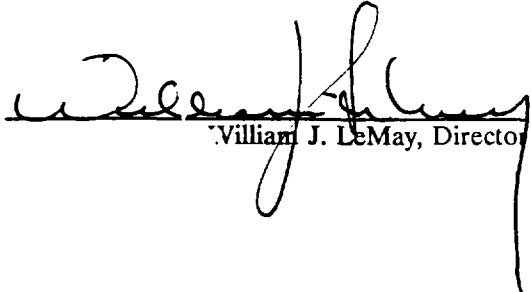
Lease: Jenny Com Lease
Description: NW/4 Section 17, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Production from the Barbara Federal Well Nos. 8 and 9 and from the Lodewick "A", Lehman Federal and Jenny Com Leases shall be separately measured prior to commingling.

The above-named company is further authorized to store the production from all of the above-described leases at a tank battery located on the Lodewick "A" lease in the NE/4 NW/4 of said Section 19.

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.

DONE at Santa Fe, New Mexico, on this 18th day of October, 1990.


William J. LeMay, Director