

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division
AMENDED COMMINGLING ORDER PLC-175

Marathon Oil Company P.O. Box 552 Midland, Texas 79702-0552

Attention: Ms. Ginny Larke

The above-named company is hereby authorized to commingle Indian Basin-Upper Pennsylvanian (Prorated Gas – 79040) and South Dagger Draw-Upper Pennsylvanian (Associated – 15475) Pool production from the following leases:

Lease:

Federal Lease No. NM05612A

Wells:

Indian Basin "A" Well No. 2 (API No. 30-015-26011) Unit K,

Indian Basin "A" Well No. 3 (API No. 30-015-27932) Unit F, Indian Basin "A" Well No. 4 (API No. 30-015-31469) Unit G,

Description:

All of Section 22, Township 21 South, Range 23 East, NMPM;

Lease:

Federal Leases No. NM0384628, NM05608, Com Agreement SW-280

Wells:

Federal "IBA" Gas Com No. 1 (API No. 30-015-10556) Unit K

Federal "IBA" Gas Com No. 2 (API No. 30-015-30041) BHL-Unit A

North Indian Basin Unit No. 32 (API No. 30-015-29305) Unit F

Description:

All of Section 15, Township 21 South, Range 23 East, NMPM;

Eddy County, New Mexico.

Gas production shall be allocated to each lease by separately metering the production from each lease prior to commingling. (Note: Gas and liquids measurement and storage shall conform to the plan set forth by Marathon Oil Company in its application to surface commingle).

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 Artesia district office of the Division prior to implementation of commingling operations.

Amended Administrative Commingling Order PLC-175 Marathon Oil Company October 10, 2001 Page 2

DONE at Santa Fe, New Mexico, on this 10th day of October, 2001.

LORI WROTENBERY

Division Director

LW/DRC

cc: Oil Conservation Division- Artesia

U.S. Bureau of Land Management - Carlsbad