

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

COMMINGLING ORDER PC-1055

Dwight A Tipton PO Box 1025 Lovington, New Mexico 88260

Attention: Mr. Tipton

The above named company is hereby authorized to surface commingle the following pools and wells:

Monument – Blinebry (Oil 46990) Cooper "B" No. 010 30-025-05988

NW/4 NW/4 Section 7, T20N, R37W NMPM

Eunice Monument – Grayburg San Andres (Oil 23000)

| Cooper "B" No. 005 | 30-025-04243 | NE/4 SE/4 | Section 12, T20N, R36E NMPM |
|--------------------|--------------|-----------|-----------------------------|
| Cooper "B" No. 006 | 30-025-05986 | SW/4 SW/4 | Section 7, T20N, R37E NMPM |
| Cooper "B" No. 007 | 30-025-05987 | NE/4 SW/4 | Section 7, T20N, R37E NMPM |
| Cooper "B" No. 011 | 30-025-04246 | SE/4 NE/4 | Section 12, T20N, R36E NMPM |
| Cooper "B" No. 012 | 30-025-05989 | NW/4 NW/4 | Section 12, T20N, R36E NMPM |

All wells are located in Lea County, New Mexico. These wells all have common ownership and are located on the same Cooper "B" lease (No. 029081).

Gas, oil, and water production shall be allocated based on periodic tests performed as a part of normal operations.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303.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 transporters of this commingling authority.

REMARKS: The commingled tank battery is located on the Cooper "B" lease.

FURTHER: The operator shall notify the supervisor of the Hobbs district office prior to implementation of this commingling operation.

DONE at Santa Fe, New Mexico, on this 25th day of March 2002.

Administrative Order PC-1055 Dwight A. Tipton March 25, 2002 Page 2

LORI WROTENBERY,

Division Director

LW/WVJ

Oil Conservation Division-Hobbs cc: