



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

COMMINGLING ORDER PC-881

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: L.M. Sanders

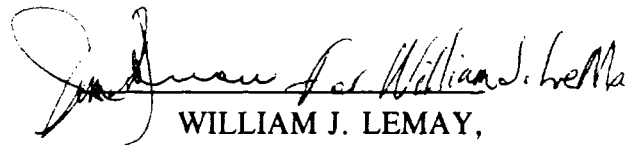
LEASE NAME: Phillips "E" State Lease
DESCRIPTION: S/2 of Section 9 and SE/4, NE/4 SW/4 of Section 8, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle Maljamar Grayburg-San Andres and Undesignated Queen Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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.

DONE at Santa Fe, New Mexico, on this 16th day of November, 1993.


WILLIAM J. LEMAY,
Director

cc: Oil Conservation Division- Hobbs
Oil Conservation Division - Data Processing (D. McDonald)
State Land Office - Santa Fe (P. Martinez)