OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

COMMINGLING ORDER PC-959

ARCO Permian P.O. Box 1089 Eunice, New Mexico 88231-1089

Attention: Mr. Larry D. Henson

LEASE NAME:

J.H. Williams Lease Well Nos.1 and 2

DESCRIPTION:

S/2 SE/4 of Section 34, Township 19 South, Range 37 East,

NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle Monument Tubb (47090) and Skaggs Drinkard (57000) Pool production in a common tank battery and to determine production from each pool by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

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 5th day of March, 1998.

LORI WROTENBERY, Director

LW/BES/kv

cc:

Oil Conservation Division - Hobbs /