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The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 25th day of November, 1997.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. JEMAY

Director

SEAL

WJL/DRC

cc: Oil Conservation Division - Hobbs Bureau of Land Management-Carlsbad