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

The allocation formula established herein should be amended by the applicant in the event the actual production encountered upon recompletion differs substantially from the forecast production.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

Director

SEAL

WJL/DRC

cc: Oil Conservation Division - Hobbs