



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER CTB-487

Mack Energy Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960

Attention: Ms. Crissa D. Carter



The above named company is hereby authorized to commingle Loco Hills-Paddock (96718) Pool production from the following leases:

Lease: Juniper State Well No. 1 (State Lease No. V-4381)
Description: SW/4 SW/4 of Section 16,

Lease: Wichita State Well No. 1 (State Lease No. B-2209)
Description: NW/4 SW/4 of Section 16,

both located in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

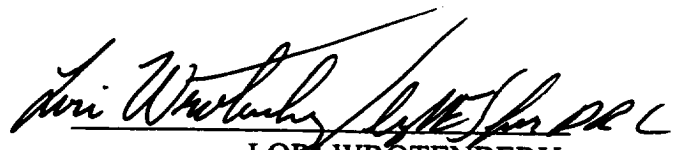
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored and measured at the common tank battery facility located at the Juniper State Well No. 1 SW/4 SW/4 (Unit M) of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

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

PROVIDING: Validation of this authority shall be accomplished by like approval from the New Mexico State Land Office.

DONE at Santa Fe, New Mexico, on this 21st day of July, 1999.


LORI WROTENBERY,
Division Director

LW/MWA/kv
cc: Oil Conservation Division - Artesia /
State Land Office - Oil & Gas Division