STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

O'L CONSERVATION DIVISION

E DRUG FREE

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 CTB-396

Maralo, Inc. P.O. Box 832 Midland, TX 79702

Attention: Dorothea Owens

The above named company is hereby authorized to commingle Southeast Willow Lake-Bone Spring Pool production from the following leases:

Lease:	Pickett Draw Federal Well No. 1 (NM-15303) API No. 30-015-25767
Description:	NE/4 NW/4 of Section 9; and,
Lease:	Exxon "8" Federal Well No. 1 (NM-55929) API No. 30-015-25894
Description:	NE/4 NE/4 of Section 8,

both in Township 25 South, Range 29 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 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." If is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District Office prior to the implementation of the commingling process.

REMARKS: Commingled production shall be stored in a tank battery located in Unit C of Section 9, Township 25 South, Range 29 East.

Commingling Order CTB-396 Maralo, Inc. August 24, 1994 Page 2

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DONE at Santa Fe, New Mexico, on this 24th day of August, 1994.

WILLIAM J. LEMAY, Division Director

cc: Oil Conservation Division - Artesia US Bureau of Land Management - Carlsbad D. McDonald