

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

AMENDED COMMINGLING ORDER PC-780

Meridian Oil, Inc.
21 Desta Drive
Midland, TX 79705

Attention: Robert L. Bradshaw

LEASE NAME: Mitchell "16" State Lease
DESCRIPTION: NE/4 NE/4, S/2 NE/4, Section 16, T-18 South, R-32 East, NMPM,
Lea County, New Mexico

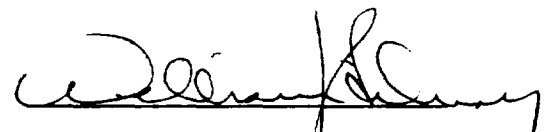
The above-named company is hereby authorized to commingle North Young Wolfcamp and Wildcat San Andres Pool production in a common tank battery and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

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.

REMARKS: If the Mitchell "16" State Well No. 3 is capable of top unit allowable production in the San Andres, the operator shall be required to meter the production from said well prior to commingling.

DONE at Santa Fe, New Mexico, on this 15th day of April, 1991.

cc: Oil Conservation Division- Hobbs


WILLIAM J. LEMAY,
Division Director