STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 1505) 827-5800

COMMINGLING ORDER PC-794

Meridian Oil, Inc. P.O. Box 51810 Midland, Texas 79710-1810

Attention: Maria L. Perez

LEASE NAME: DESCRIPTION:

Bondurant Federal Lease (NM-12568-A) NE/4, E/2 NW/4, NE/4 SW/4, and SE/4

Section 1, Township 19 South, Range 32 East, NMPM

Lea County, New Mexico

The above-named company is hereby authorized to commingle West Tonto - Bone Spring 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.

DONE at Santa Fe, New Mexico, on this 31st day of June, 1992.

WILLIAM J. LEMAY,

Division Director

cc: Oil Conservation Division- Hobbs

U.S. BLM - Carlsbad