



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Mark Fesmire
Director
Oil Conservation Division

COMMINGLING ORDER CTB-553

Mewbourne Oil Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Mr. James Bruce

The above-named company is hereby authorized to surface commingle Empire-Yeso (Oil-96210) Pool production from the following-described state leases located in Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico:

Lease: Empire "18" State Lease (Lease No. B-6846-1)
Description: N/2 SE/4 of Section 18;

Wells: Empire "18" State Well No. 7 (API No. 30-015-31418)
1915' FSL & 990' FEL, Unit I;
Empire "18" State Well No. 8 (API No. 30-015-31417)
1650' FSL & 2310' FEL, Unit J;

Lease: Empire "18" State Lease (Lease No. V-05082)
Description: SE/4 SE/4 of Section 18;

Wells: Empire "18" State Well No. 3 (API No. 30-015-31353)
330' FSL & 990' FEL, Unit P;
Empire "18" State Well No. 6 (API No. 30-015-33773)
990' FSL & 330' FEL, Unit P;

Due to the diverse ownership between State Leases No. B-6846-1 and V-05082, and in accordance with the provisions of Division Rule No. 303(B)(4)(a), production from these two groups of wells shall be determined as follows:

The combined production from the Empire "18" State Wells No. 7 and 8 shall be separately metered prior to commingling. (Note: Production from each of these wells may be determined on the basis of well tests.)

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The combined production from the Empire "18" State Wells No. 3 and 6 shall be separately metered prior to commingling. (Note: Production from each of these wells may be determined on the basis of well tests.)

Production shall be stored at a central tank battery located in the SE/4 SE/4 of Section 18, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 3rd day of May, 2005.



Mark E. Fesmire, PE
Director

MEF/drc

cc: Oil Conservation Division – Artesia
State Land Office-Oil & Gas Division