



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PLC-207

Marbob Energy Corporation
PO Box 227
Artesia, New Mexico 88211

Attention: Mr. Dean Chumbley:

Marbob Energy Corporation is hereby authorized to surface commingle production from the following leases and locations within the following pools - all located within Eddy County:

POOLS:

Red Lake Queen-Grayburg-San Andres (Oil - 51300), and
North East Red Lake Glorieta-San Andres (Oil - 96836).

LEASES:

SB State (B-7244)
SW/4 NE/4, Section 2, Township 18 South, Range 27 East, NMPM

TDF State (B-7244)
SE/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM

MJ State (E-5461)
NW/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM

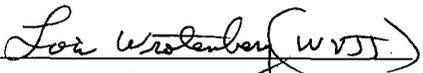
Each of these leases shall have separate measurement of water and separate, continuous measurement of oil prior to commingling. Allocation meters shall be regularly calibrated for accuracy. All liquids production shall be commingled into the existing MJ State Tank Battery located in the NW/4 NW/4, Section 2, Township 18 South, Range 27 East, NMPM. Gas shall not be commingled.

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.

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

Administrative Order PLC-207
Marbob Energy Corporation
June 13, 2002
Page 2

DONE at Santa Fe, New Mexico, on this 13th day of June 2002.


LORI WROTENBERY,
Division Director

LW/WVJ

cc: Oil Conservation Division - Artesia
State Land Office – Santa Fe