

COMMINGLING ORDER CTB-416

Nearburg Producing Company
419 West Cain
Hobbs, New Mexico 88240

Attention: Mr. E. Scott Kimbrough

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool production from the following leases:

Lease: South Boyd '27' Well Nos. 3,4 and 6
Description: W/2 Section 27, township 19 South, Range 25 East

located in Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

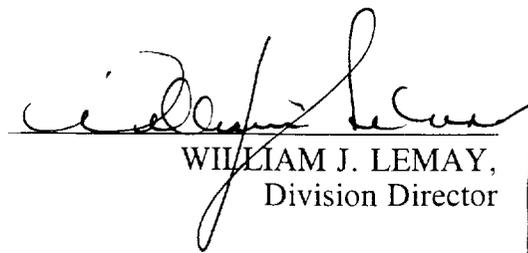
REMARKS: The commingled production shall be stored in the South Boyd '27' tank battery facility located in Unit Letter "L" of Section 27, Township 19 South, Range 25 East, Eddy County, New Mexico.

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.

FURTHER: The operator shall notify the district office of the Division prior to implementation of the commingling process.

NOTE: Two of the wells, Nos.3 and 4 were previously authorized for commingling of production under Division Order OLS-175. For all intents and purpose, commingling of the subject wells is accomplished by the issuance of the subject order. Division Order OLS-175 is hereby placed in abeyance.

DONE at Santa Fe, New Mexico, on this 31st day of October, 1995.



WILLIAM J. LEMAY,
Division Director

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October 31, 1995
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WJL/BES

cc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division
File OLS-175