



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-435

Mack Energy Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960

Attention: Mr. Robert C. Chase

The above named company is hereby authorized to commingle Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool (28500) production from the following leases:

Lease: McIntyre 'A' Well No.1 (State Lease No.LC-054280)
Description: NE/4 SE/4, and;

Lease: McIntyre 'A' Well Nos.3 and 9 (State Lease No.LC-057634)
Description: NW/4 SE/4,

all in Section 20, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

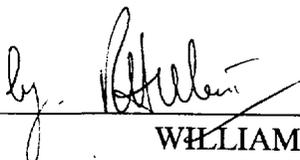
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

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: The commingled production shall be stored in the McIntyre 'A' tank battery facility located in Unit Letter 'J' of Section 20, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 9th day of September, 1996.

By:  Deputy Director
WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad