



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-438

Nearburg Producing Company
3300 North 'A' Street, Bldg.2, Suite 120
Midland, Texas 79705

Attention: Mr. Van N. Rodgers

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

Lease: Osage Boyd '15' Federal Com Well No.3
(Federal Lease No.NM-NM12833)

Description: NW/4 NW/4, and;

Lease: Osage Boyd '15' Federal Com Well No.6
(Federal Lease No.NM-60341)

Description: NE/4 NW/4, and;

Lease: Osage Boyd '15' Well Nos.2, 4, 5, 7 and 8

Description: SE/4 NW/4, SW/4, of

Section 15, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

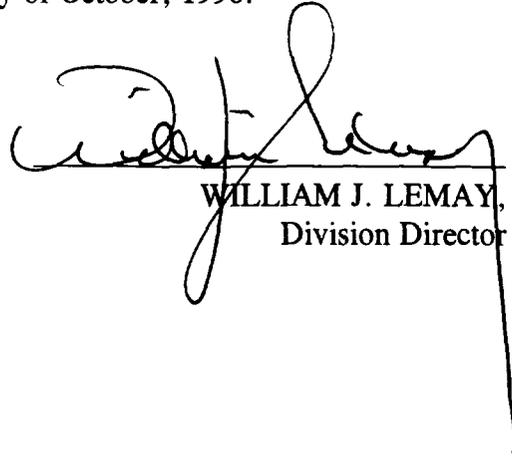
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

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.

FURTHER: The operator shall notify the District Office prior to implementation of the commingling process. Production shall be stored in Osage Commingled tank battery located in Unit Letter E, Section 15, Township 19 South, Range 25 East, Eddy County, New Mexico.

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DONE at Santa Fe, New Mexico, on this 22nd day of October, 1996.



WILLIAM J. LEMAY,
Division Director

WJL/BES

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