



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-479

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Attention: Mr. Dean Chumbley

The above named company is hereby authorized to commingle Loco Hills-Paddock (96718-Oil) Pool production from the following leases:

Lease: Birdie Federal Lease (Federal Lease No. NM-074936)
Description: SE/4 NE/4 of Section 17, and,

Lease: Birdie Federal Lease (Federal Lease No. LC-86025)
Description: N/2 SW/4, SW/4 NE/4 of Section 17,

both in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

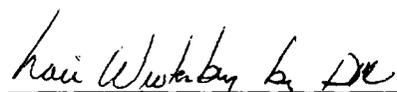
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in the Birdie Federal tank battery facility located in Unit Letter 'K' of Section 17, 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.

PROVIDING: Validation of this authority shall be accomplished by like approval from the U. S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 12th day of November, 1998.


LORI WROTENBERY, Director

LW/MWA/kv

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