



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PC-970

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

Attention: Mr. Robert C. Chase

LEASE NAME: McIntyre 'DK' Federal Lease
DESCRIPTION: S/2 SW/4 and S/2 SE/4 Section 17,
Township 17 South, Range 30 East, NMPM,
Eddy County, New Mexico.

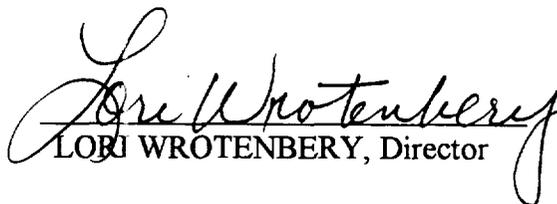
The above-named company is hereby authorized to commingle Loco Hills Paddock (96718) and Grayburg-Jackson Seven Rivers-Queen-Grayburg-San Andres (28509) Pool production in a common tank battery and to determine the production from each pool by well tests. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well on the commingled battery becomes capable of the allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

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 Artesia District Office of the Division upon implementation of the commingling process.

REMARKS: Commingled production shall be stored and measured off-lease in the Mack 'NW' central tank battery facility located in Unit Letter 'N' of Section 17, Township 17 South, Range 30 East, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 17th day of April, 1998.


LORI WROTENBERY, Director

LW/BES/kv

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