

MERIT ENERGY COMPANY

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OIL CONSERVATION DIVISION
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February 1, 1995

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

**RE: Application to surface commingle wells in Sections 13, 14, 23, 24 and 25,
T26N-R4W, Rio Arriba County, New Mexico**

Gentlemen:

It is proposed to surface commingle all producing horizons in the subject wells, listed in exhibit A, in order to maximize the efficient and effective recovery of natural gas at these locations.

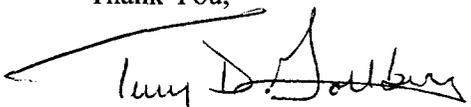
Interests in all of the subject wells is identical, including working, net revenue and over riding royalty interests. In addition the commingling of these gas streams is in no way expected to reduce the value of the production..

The following items are submitted in support of this application:

1. EXHIBIT A is a list of the subject wells with their respective location and producing zone.
2. EXHIBIT B is a plat of the affected leases with the subject wells identified.
3. EXHIBIT C is detailed information describing the gas and liquids produced from each horizon.
4. EXHIBIT D is a schematic of the Central Facility along with plats showing the location of the facility.
5. Working interest, royalty interest and ORRI are identical for all producing horizons.

If you have any questions or require any further information please feel free to contact me at (214) 701-8377.

Thank You,



Terry D. Gottberg
Production Engineer