NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC - 120

Meridian Oil Company
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Ms. Donna J. Williams

The above-named company is hereby authorized to commingle South Corbin Wolfcamp (59930) and South Corbin Bone Spring (13320) Pool production from the following leases:

Lease: Querecho Federal Well Nos.1 and 2 (NM0997)
Description: E/2 SW/4 of Section 28, and;

Lease: Uncle Federal Well Nos.1 and 2 (NM0997)
Description: NE/4 NW/4 and SW/4 NE/4 of Section 28,

both in Township 18 South, Range 33 East, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from the Querecho Federal Lease and determining the Uncle Federal Lease production by the subtraction method. Allocation of gas production shall be determined by well tests. (All ownership is common.)

REMARKS: Commingled production shall be stored in the Uncle Federal No.3 tank battery facility located in Unit Letter 'G' of Section 28, Township 18 South, Range 33 East, Lea County, New Mexico.

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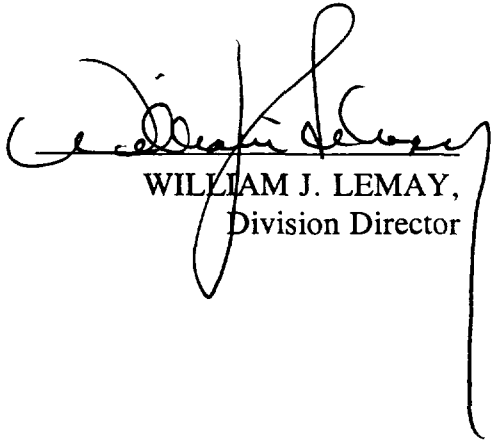
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter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

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

DONE at Santa Fe, New Mexico, on this 2nd day of May, 1996.

WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
       US Bureau of Land Management - Carlsbad