



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 - 121

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 Triste Draw Delaware (59930) and Wildcat Bone Spring (no I.D.N.) Pool production from the following leases:

Lease: Diamond '34' Federal Well Nos.2 and 3 (NM62225)

Description: NW/4 NE/4 and SE/4 SW/4 of Section 34, and;

Lease: Diamondtail '34' Federal (NM94616)

Description: S/2 NE/4 and W/2 SW/4 of Section 34,

both in Township 23 South, Range 32 East, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from the Diamond '34' Federal Lease and determining the Diamondtail '34' Federal Lease production by the subtraction method.

REMARKS: Royalty ownership of the Diamond '34' Federal Lease is diverse whereas ownership of the Diamond '34' Federal Lease is common.

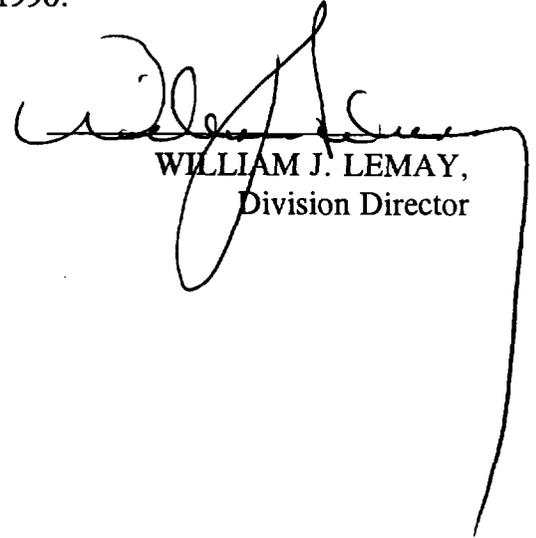
FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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.

Commingling Order PLC-121
Meridian Oil Company
May 2, 1996
Page 2

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