



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 - 127

Primal Energy Corporation  
222 Pennbright, Suite 116  
Houston, Texas 77090

Attention: Mr. John Abernathy

The above-named company is hereby authorized to commingle Justis Blinebry (34200), North Justis Fusselman (34790), North Justis McKee (34980), and Justis Tubb Drinkard (35280) Pool production from the following leases:

Lease: Hale State Well Nos. 1, 2, 3, 4, 5 and 6; and,  
M.E. Hale Well Nos. 1 and 2  
Description: S/2 NE/4 of Section 2, Township 25 South, Range 37 East, NMPM,  
Lea County, New Mexico

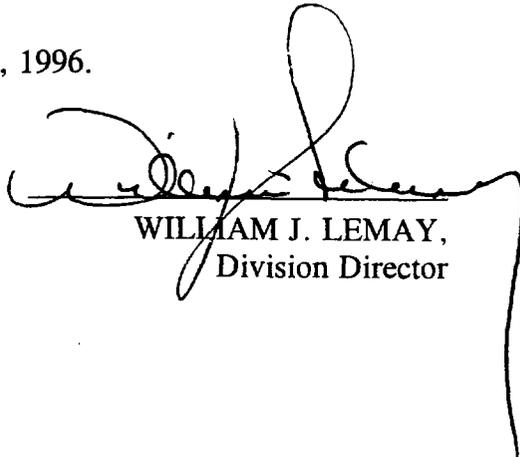
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

REMARKS: Commingled production shall be stored in the Hale State tank battery facility located in Unit Letter 'H', Section 2, Township 25 South, Range 37 East, NMPM, 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.

DONE at Santa Fe, New Mexico, on this 26th day of August, 1996.

  
WILLIAM J. LEMAY,  
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs  
State Land Office - Oil & Gas Division