



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-134

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702-0832

Attention: Ms. Dorothea Logan

The above named company is hereby authorized to commingle North Pierce Crossing Wolfcamp (Gas - 96402) and Malaga Delaware (Oil - 42940) Pool gas production from the following leases:

Lease: Cochiti '5' Federal Com Well No.1
Description: S/2 of Section 5, and;

Lease: Cochiti '8' Federal Well No.2
Description: NE/4 NW/4 of Section 8,

both in Township 24 South, Range 29 East, Eddy County, New Mexico.

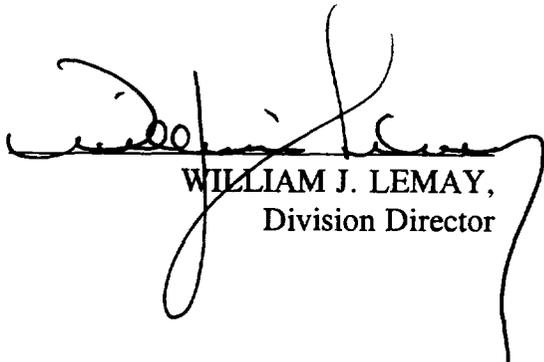
Production shall be allocated to each lease by separately metering the production from each pool prior to commingling.

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.

PROVIDING: The operator shall notify the Artesia district office upon implementation of the commingling process.

FURTHER: Gas production shall be commingled at the compressor facility and delivered to the central sales meter, both located in Unit Letter "N", Section 5, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 7th day of August, 1997


WILLIAM J. LEMAY,
Division Director

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