



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER CTB-503

Marbob Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Attention: Mr. Dean Chumbley

The above named company is hereby authorized to commingle Loco Hills-Paddock (Oil – 96718) Pool production from the following leases:

Lease: Coffee Federal Lease (Federal Lease No. LC-029548A)
Description: W/2 NE/4, and NW/4 of Section 18, Township 17 South, Range 31 East, NMPM;
and

Lease: Tony Federal Lease (Federal Lease No. LC-029395A)
Description: S/2 of Section 18, and the N/2 of Section 19, Township 17 South, Range 31 East,
NMPM;

all located in Eddy County, New Mexico.

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

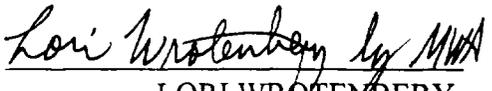
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter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

REMARKS: The commingled production shall be stored and measured at the Tony Federal tank battery facility located in the NE/4 SW/4 of Section 18, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

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DONE at Santa Fe, New Mexico, on this 23rd day of October, 2000.


LORI WROTEMBERG,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Carlsbad