

Company Bass Enterprises Production Co.
Address P. O. Box 2760
City, State, Zip Midland, Texas 79702

Attention: Mr. J. E. Pullig

Lease Name: Palmillo State
Description: Unit H, Sec. 1, T-19-S, R-28-E

The above-named company is hereby authorized to commingle production from the following pools

Undesignated Wolfcamp and
North Turkey Track-Morrow

in a common tank battery, and to determine the production from each pool by

 separately metering the production from each pool prior to commingling

 X separately metering the production from the Morrow

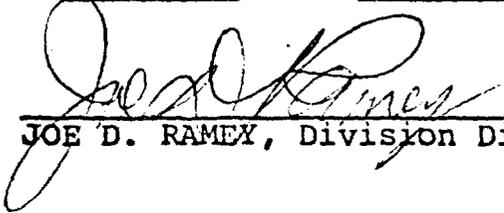
and determining the Wolfcamp production by the subtraction method

 well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Division in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate)

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.

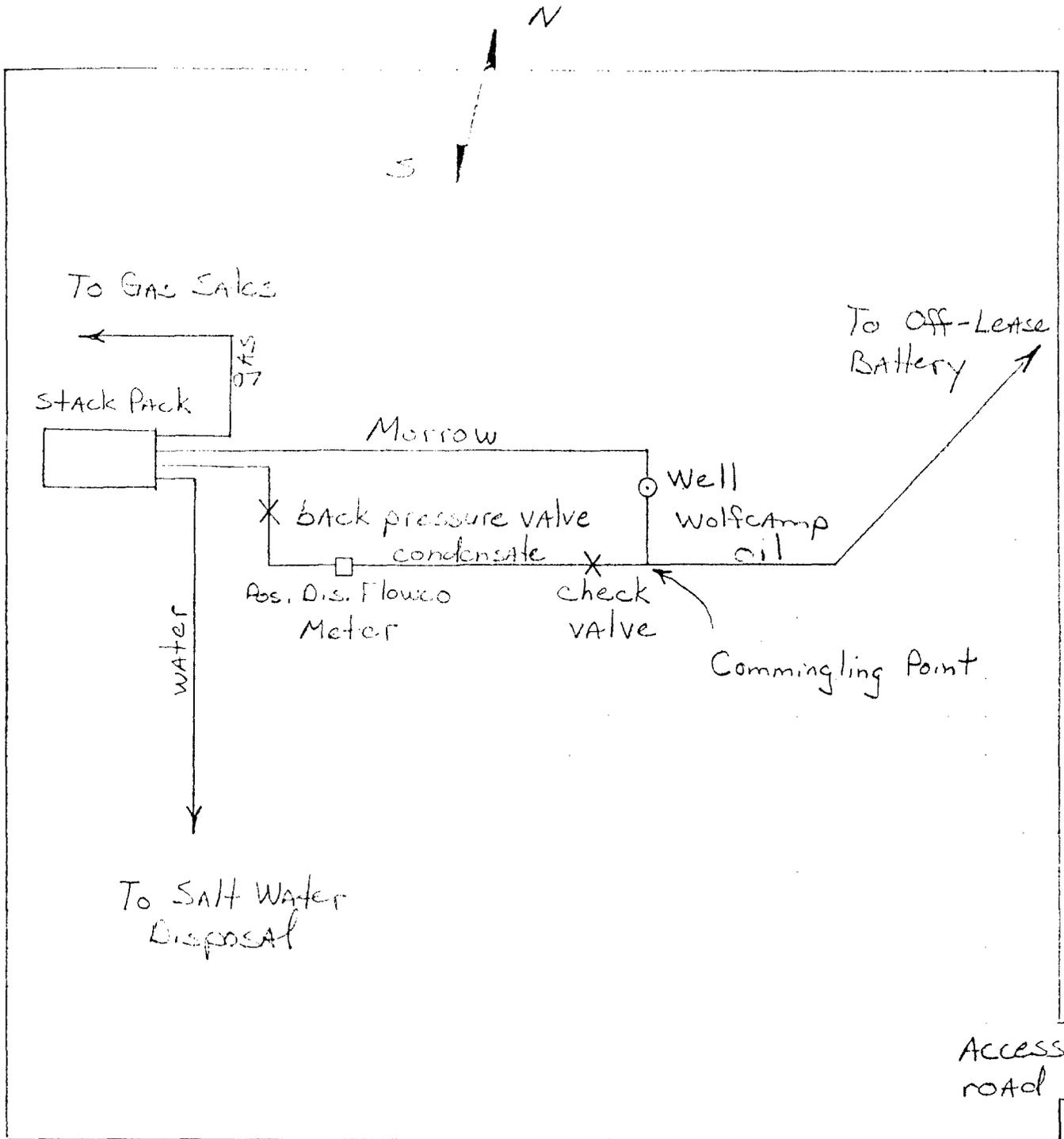
REMARKS: After commingling liquid production from the Palmillo State Well No. 1 will be transported to the Bass Merchant State Lease where it will be handled in a separate off-lease storage facility prior to sale.

DONE at Santa Fe, New Mexico, on this 26th day of March, 19 81.



JOE D. RAMEY, Division Director

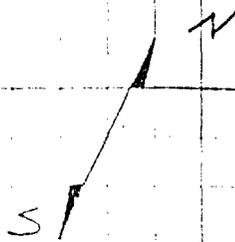
SUBJECT Palmillo State No. 1	DATE	DEPARTMENT	PREPARED BY JRG
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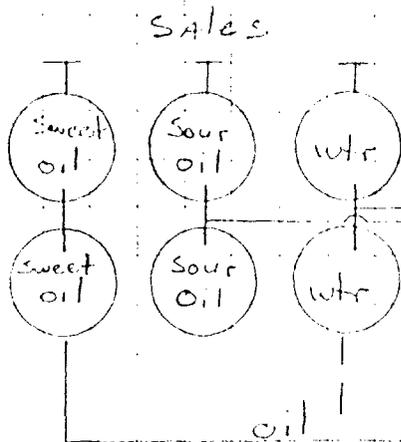
PC 597
OLS 126

SUBJECT Merchant State Battery	DATE 9/18/80	DEPARTMENT	PREPARED BY TRG
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ILLEGIBLE



Merchant State No. 1 well



Gas to Phillips

4'x13' 3 phase

FWKO sour

water oil

Heater Treater

Transfer pump

gas

4'x10' heater treater

sweet

Access Road

Metering 3 phase 4'x15'

Artemillo flow line

Bring electricity to this point X

Line should be buried under road

Future SWD line

"State"

Spry Disc
F182
WELCH
Gulf-St
E1 3430
TD 2000
DIA 11-21-55 State

E1 3386
TD 3003
D/A 5-4-61

Alscott
25 02
32 00
532.543
27.4
Alscott Mill.
Perm. Disc.
6.739
Honda

4075 1 4070 2 4050 3 4030 2 4010 1

Boss Ent.

(Rich & Boss)

188 P 7

L 4397

Battery

Pauline

Boss Ent.
(Cit. Serv.)

"Merchant-St."

Dual HBP
E-4397
Palmillo-St."

Ohio
Merchant
TD 3085
State

Kersey
Boss

Sun
HBP

06784

3377 4 40.96 3 20.91 2 10

Amoco
L-2633
HBC, N/2

Atoka
Disc.

3.4 Mil.
F214

6

Shamrock
Nix &
Sivle
Nix & Curtis
Perm. Disc.
P14
"St. Merc" State

Continental
HBP

10) 2

Sun
2