

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

OIL CONSERVATION DIVISION



COMMINGLING ORDER CTB-406

Meridian Oil, Inc.
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Ms. Donna J. Williams

The above named company is hereby authorized to commingle West Red Tank Delaware production from the following leases:

Lease: Red Tank Federal Lease (NM77058)
Description: SW/4, W/2 SE/4, and;

Lease: Redchecker Federal Lease (NM94096)
Description: E/2 SE/4;

all in Section 14, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (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 in 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.) Gas production from each of the respective leases shall be sold at its own point of disposition and no commingling shall occur.

FURTHER: The operator shall notify the Hobbs district office of the Division upon implementation of the commingling process.

FURTHER: Commingled production shall be stored in the tank battery facility located Unit Letter "N" of Section 14, T-22-S, R-32-E.

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.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5850

Administrative Services
827-5925

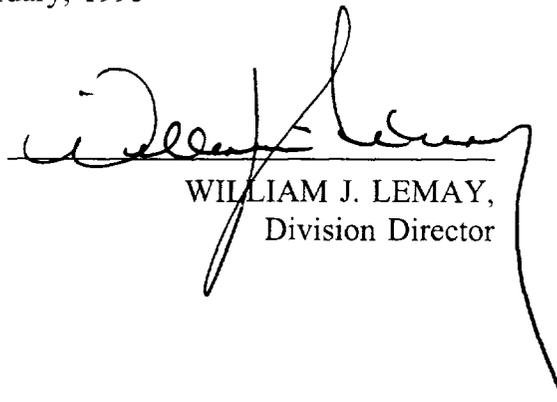
Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

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DONE at Santa Fe, New Mexico, on this 2nd day of February, 1995



WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad