



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-520

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

Attention: Mr. M. Y. (Merch) Merchant

The above named company is hereby authorized to commingle Eumont Yates-Seven Rivers-Queen Pool (Oil – 22800) production from the State WEE A Nos. 1 and 2, State WEB 2 Nos. 1 and 2, State WEE No. 1, and the State WEBB Nos. 1 and 2 located on the following leases:

Lease: State Lease No. E00392
Description: NW/4 of Section 13, Township 21 South, Range 35 East, NMPM;

Lease: State Lease No. E00395
Description: SW/4 of Section 13, Township 21 South, Range 35 East, NMPM;

All in Lea County, New Mexico

Production shall be allocated by monthly well tests. Oil production shall then be commingled and stored at a tank battery located in the E/2 NW/4 of Section 13, Township 21 South, Range 35 East, NMPM.

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.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to commingling.

DONE at Santa Fe, New Mexico, on this 17th day of December, 2001.

LORI WROTENBERY,
Division Director

LW/DRC
cc: Oil Conservation Division – Hobbs
State Land Office-Oil & Gas Division