

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER CTB- 279

Company: Merrion & Bayless
Address: P. O. Box 1541
City, State, Zip: Farmington, New Mexico 87401

Attention: Robert L. Bayless

The above-named company is hereby authorized to commingle
Pictured Cliffs gas
pool production from the following ~~leases~~ wells:

Lease Name: Southland No. 1
Description: Section 3

Lease Name: Southland No. 3
Description: Section 10

Lease Name: Southland No. 4
Description: Section 9
All in Township 26 North, Range 13 West, San Juan County
Production shall be allocated to each lease by

separately metering the production from each lease prior to
commingling

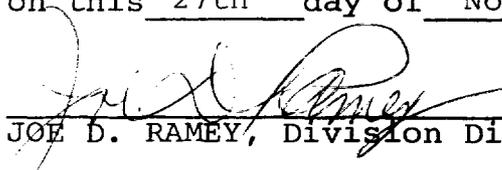
separately metering the production from the
and determining the
production by the subtraction method

well tests (if this method or the subtraction method above is
to be authorized, all commingled production must be of identical
ownership: working interest, royalty interest, and overriding
royalty interest)

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: This commingling authority is approved to permit the use of
a common lead line to the nearest pipe line connection.

DONE at Santa Fe, New Mexico, on this 27th day of November 19 79.



JOE D. RAMEY, Division Director