

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

COMMINGLING ORDER PC- 547

Company Collier & Collier
Address P. O. Box 798
City, State, Zip Artesia, New Mexico 88210

Attention: Mr. Tim Collier

Lease Name: Malco Federal
Description: NE/4 NE/4 Section 3, T-18-S, R-27-E, Eddy County

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

Empire-Seven Rivers and Red Lake Grayburg-San Andres

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

_____ separately metering the production from each pool prior to commingling

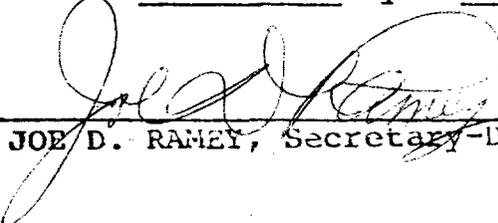
_____ separately metering the production from
and determining the
production by the subtraction method

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 Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission 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 Commission Rules and Regulations and the Commission "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:

DONE at Santa Fe, New Mexico, on this 27th day of May 19 77.



JOE D. RAMEY, Secretary-Director