



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-734

Marbob Energy Corporation
P.O. Drawer 217
Artesia, NM 88211-0217

Attention: David Martin

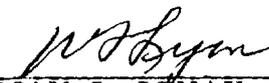
Lease Name: State Lease No. B-8814

Description: SW/4 SW/4 Section 27, Township 17 South,
Range 28 East, NMPM, Eddy County, New Mexico

The above-named company is hereby authorized to commingle Red Lake Queen Grayburg San Andres and East Empire Seven Rivers pool production in a common tank battery and to determine the production from each pool by 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 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.)

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.

DONE at Santa Fe, New Mexico, on this 19th day of February, 1988.


for WILLIAM J. LEMAY, Director

WJL/DRC/ag

xc: OCD - Aztec
State Land Office - P. Martinez