



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2098  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

COMMINGLING ORDER PC-753

Zia Energy, Inc.  
P.O. Box 2219  
Hobbs, NM 88240

Attention: Don Bratton

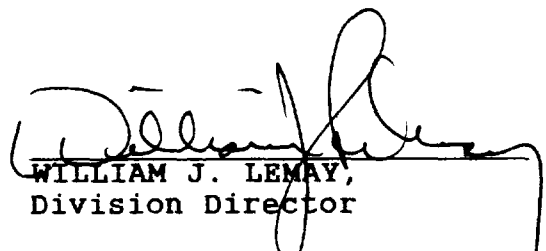
LEASE NAME: New Mexico "M" State Lease, Well Nos. 48 & 49  
DESCRIPTION: NW/4 NW/4 Section 17, NW/4 SE/4 Section 18,  
Township 22 South, Range 37 East, NMPM, Lea  
County, New Mexico.

The above-named company is hereby authorized to commingle Blinebry, Tubb, Drinkard and Southwest Eunice San Andres Pool production in a common tank battery and to determine the production from each pool 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.)

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.

REMARKS: Well No. 48 is currently downhole commingled in the Blinebry, Tubb, and Drinkard formations under authority granted by Order No. DHC-688.

DONE at Santa Fe, New Mexico, on this 26th day of October, 1988.

  
WILLIAM J. LEMAY,  
Division Director

cc: Oil Conservation Division - Hobbs