



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-755

Lanexco, Inc.  
P.O. Box 1206  
Jal, NM 88252

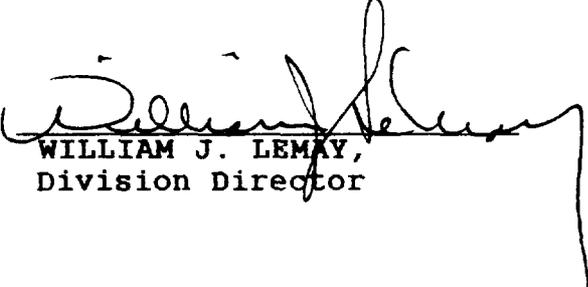
Attention: Mike Copeland

LEASE NAME: Cerro Comm Lease  
DESCRIPTION: W/2 Section 11, Township 23 South, Range 27 East,  
NMPM, Eddy County, New Mexico.

The above-named company is hereby authorized to commingle Wildcat Bone Spring and Cass Draw Wolfcamp 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.

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

  
WILLIAM J. LEMAY,  
Division Director