



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

AMENDED COMMINGLING ORDER PC-757

Meridian Oil, Inc.
21 Desta Drive
Midland, TX 79705

Attention: Dave E. Myers

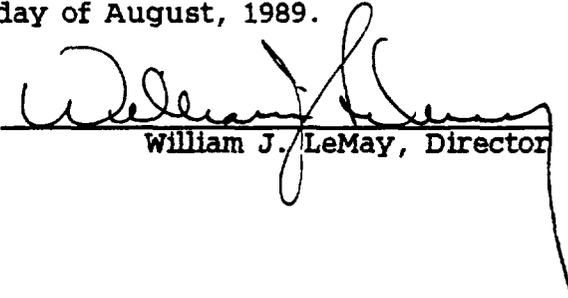
LEASE NAME: State "16" Lease (LG-4087)
DESCRIPTION: S/2 Section 16, Township 18 South, Range 33 East, NMPM, Lea
County, New Mexico.

The above-named company is hereby authorized to commingle West Corbin Delaware and South Corbin 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." If is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: This amended order authorizes the applicant to commingle Wolfcamp production from the newly drilled Well No. 4 with the previously approved commingled production from the Wolfcamp and Delaware produced from Well Nos. 1, 2 and 5.

DONE at Santa Fe, New Mexico, on this 14th day of August, 1989.


William J. LeMay, Director