



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-765

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

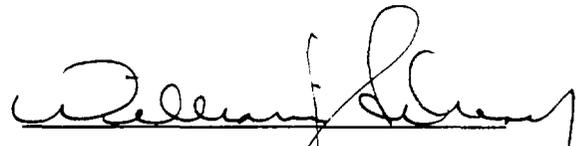
Attention: Robert L. Bradshaw

LEASE NAME: Federal "AF" Lease
DESCRIPTION: E/2 SW/4 Section 8, Township 18 South, Range 32 East, NMPM, Lea
County, New Mexico

The above-named company is hereby authorized to commingle North Young Wolfcamp and North Young Bone Spring Pool production in a common tank battery and to determine the production from each pool by separately metering the production from each pool prior to commingling.

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 8th day of November, 1989.



WILLIAM J. LEMAY,
Division Director