

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

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

*COMMINGLING ORDER PC-787*

Meridian Oil, Inc.  
P.O. Box 51810  
Midland, Texas 79710-1810

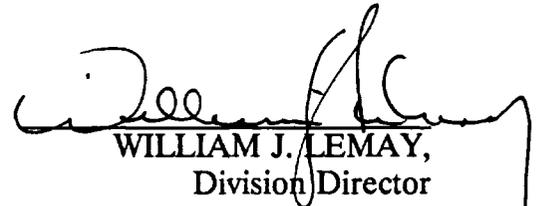
Attention: Connie Malik

LEASE NAME: Shinnery Federal Lease  
DESCRIPTION: N/2 SW/4, SW/4, Section 13, Township 18 South, Range 32 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. (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 14th day of April, 1991.

  
WILLIAM J. LEMAY,  
Division Director

cc: Oil Conservation Division- Hobbs