

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



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

COMMINGLING ORDER PC-846

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

Attention: Maria L. Perez

LEASE NAME: *State "DR" Well Nos. 2 and 3*
DESCRIPTION: *Well No. 2: SE/4 NE/4; Well No. 3: NE/4 NE/4. Both in Section 16, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.*

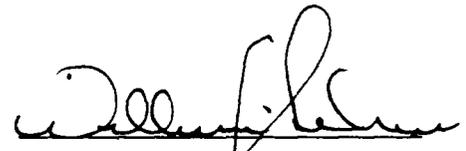
The above-named company is hereby authorized to commingle Northeast Lusk Yates and East Lusk Wolfcamp Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, 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.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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: The commingled production shall be stored in a tank battery facility located in Unit Letter H of Section 16, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 17th day of September, 1993.


WILLIAM J. LEMAY,
Director

cc: Oil Conservation Division- Hobbs
State Land Office - Santa Fe (Pete Martinez)