

STATE OF NEW MEXICO

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-849**

Meridian Oil, Inc.  
Attention: Maria L. Perez  
P.O. Box 51810  
Midland, TX 79710-1810

**LEASE NAME:** *Checkerboard Federal Well Nos. 1 and 2*  
**DESCRIPTION:** *W/2 SE/4, Section 23, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico*

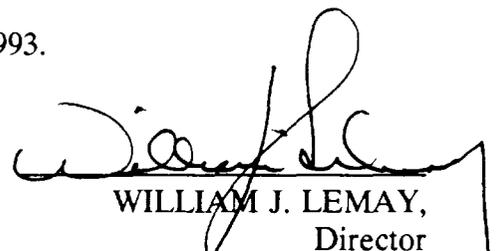
The above-named company is hereby authorized to commingle West Red Tank Delaware Pool production from the Checkerboard Federal Well No. 1 and Red Tank Bone Spring Pool production from the Checkerboard Federal Well No. 2 in a common tank battery and to determine the production from each pool by separately metering the liquid production from each well prior to commingling and by separately metering the gas production from the Checkerboard Federal Well No. 1 (West Red Tank Delaware Pool) and determining the Checkerboard Federal Well No. 2 (Red Tank Bone Spring Pool) gas production by the subtraction method.

**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 "O" of Section 23, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 12th day of October, 1993.

  
WILLIAM J. LEMAY,  
Director

cc: Oil Conservation Division- Hobbs  
US Bureau of Land Management - Carlsbad