

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER CTB-550

MAR Oil & Gas Corporation P.O. Box 5155 Santa Fe, New Mexico 87502

Attention: Mr. Duane C. Winkler

The above-named company is hereby authorized to surface commingle West Sawyer-San Andres (Oil - 55490) Pool production from the following-described federal and fee lease located in Township 9 South, Range 37 East, NMPM, Lea County, New Mexico:

Lease:

Pearl Marr Fee Lease

Description:

NE/4 SE/4 of Section 33 & SW/4 SW/4 of Section 34

Well:

Pearl Marr Well No. 3 (API No. 30-025-25881), Unit I, Section 33 Pearl Marr Well No. 4 (API No. 30-025-27145), Unit M, Section 34

Lease:

Rich Unit (Federal Lease No. LC-063427)

Description:

NW/4 SW/4 of Section 34

Well:

Rich Unit Well No. 1 (API No. 30-025-23510), Unit L, Section 34

Due to the diverse ownership between the leases/wells, production from each of the two groups of wells, described as follows, shall be separately metered:

Group 1:

Pearl Marr Well No. 3

Pearl Marr Well No. 4

Group 2:

Rich Unit Well No. 1

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

Production shall be stored at the Pearl Marr Tank Battery located in Unit J of Section 33, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.

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DONE at Santa Fe, New Mexico, on this 2nd day of March, 2005.

Mark E. Fesmire, PE

Director

MEF/drc

cc: Oil Conservation Division - Hobbs