



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Order PC-1217

February 16, 2010

Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington, NM 87401

Attention: Philana Thompson

Merrion Oil & Gas Corporation is hereby authorized to surface commingle Basin Fruitland Coal Gas Pool (**71629**), Basin Dakota Gas Pool (**71599**), and Gallegos Gallup Gas Pool (**26980**) gas production from the following Federal lease No. NMSF-078899 and wells.

JAZZ COM Well No. 2 (**API No. 30-045-32115**) Unit M, Section 21, T-26-N, R-11-W

Blackrock C Well No. 1E, (**API No. 30-045-34306**) Unit N, Section 21 T-26-N, R-11-W

All in NMPM, San Juan County, New Mexico

Commingled gas production from the wells detailed above shall be measured and sold at the Blackrock C Well No. 1E Central Tank Battery located in Unit N of Section 21, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico.

Gas production from the wells shall be continuously measured with allocation meters before commingling with gas from other wells. The allocation meters shall be calibrated semi-annually. The commingled production from the wells is approved for off-lease measurement and sales.

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.

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



DONE at Santa Fe, New Mexico, on February 16, 2010.



MARK E. FESMIRE, P.E.,
Acting Division Director

MEF/re

cc: Oil Conservation Division – Aztec
Bureau of Land Management (BLM) - Farmington