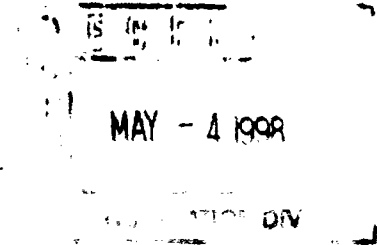


May 1, 1998

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 6429
Santa Fe, New Mexico 87505



RE: Commingling Order PLC-102

Dear Sir:

All leases covered by Commingling Order PLC-102 are in the West Corbin Delaware (13195) Pool. This came about when the West Corbin "13" Federal #1 was recompleted from the South Corbin Wolfcamp (13320) Pool in October, 1997.

Please delete the above commingling order.

Sincerely,

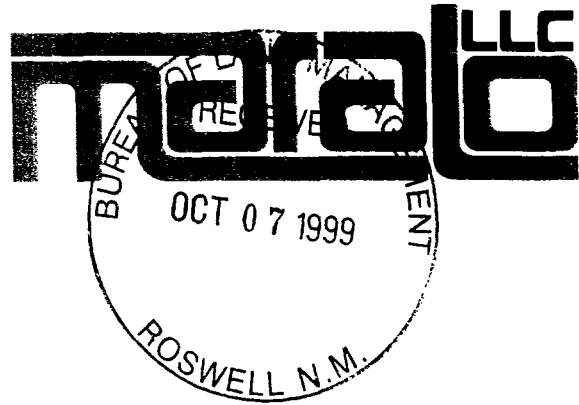
A handwritten signature in cursive script, reading "Dorothea Logan".

Dorothea Logan
Regulatory Analyst
Maralo, Inc.

cc: OCD/Hobbs

October 6, 1999

M. Oil Cons. Division
1625 N. French Dr.
Roswell, NM 88240



Bureau of Land Management
Attention: Pete Chester
2909 W. 2nd Street
Roswell, NM 88201

RE: Commingling Order CTB-480

Request for an Alternate Method of Gas Measurement on Oil Wells with Marginal/Low Volume Gas Production, Off Lease Gas Measurement and Surface Gas Commingling for the following Federal leases in the Corbin; Delaware, West Pool:

Corbin 13 A Federal (NM-53239 & NM-94197) Wells #1, #2 & #3, Uncle Sam 13 Federal (NM-0392867) Well #1, and West Corbin 13 Federal (NM-53239), Well #1
Lea County, New Mexico

Gentlemen:

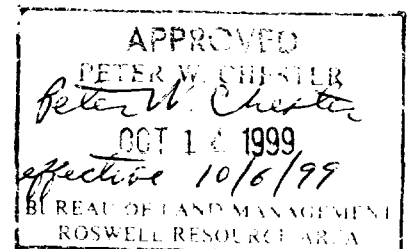
The gas purchaser for the above Federal leases has informed us that they can no longer maintain the existing 5 individual meters, set at each of the above well sites, at the current gas price.

In an endeavor to maintain our current gas contract and price, Maralo, LLC proposes the withdrawal of the purchaser's 5 individual sales meters. There will be one sales meter at the battery and production will be allocated to each well based upon monthly GOR well testing. The allocation method is equitable to all parties and will not result in a reduction or loss of royalty. The Federal royalty rate is the same for all leases involved.

The applicant contends that such approval is necessary for further reasonable operation of the Federal leases. Based upon an average gas production of +/- 50 MCF/D for a combined total of the above low volume/marginal wells, this is an effort to extend the life of the wells by maintaining our current gas price and conserving resources that otherwise would be lost.

Enclosed please find the following:

- (1) A schematic diagram describing the proposed operation in detail.
- (2) New Mexico Gas-Oil Ratio Test dated March 2, 1999, detailing the test results from the contributing wells on the last scheduled annual production test.



Page 2

This letter will serve as a statement that all interest owners have been notified of the proposal.

The New Mexico Oil Conservation Division is requested to amend Commingling Order CTB-480 to reflect the dissimilar gas production handling addressed herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Dorothea Logan", with a long horizontal flourish extending to the right.

Dorothea Logan
Regulatory Analyst
Maralo, LLC

Enclosures: 2

cc: Working Interests (see attached list)
OCD/Hobbs, NM

C:\MyFiles\BLM LTR RE ALTERNATE GAS MEASUREMENT APPROVAL.wpd

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Operator MARALO, LLC		Pool CORBIN; DELAWARE, WEST		County LEA											
Address P.O. BOX 832, MIDLAND, TX 79702		TEST - (X) <input type="checkbox"/>		Completion <input type="checkbox"/> Special <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.	
		U	S	T							R	WATER BBL'S.	GRAV. OIL		OIL BBL'S.
CORBIN "13" A FEDERAL	1	I	13	185	32E	P				24	8	34.7	10	22	2200
CORBIN "13" A FEDERAL	2	J	13	185	32E	P				24	7	34.7	11	16	1455
CORBIN "13" A FEDERAL	3	O	13	185	32E	P				24	6	34.7	12	2	167
UNCLE SAM "13" FEDERAL	1	H	13	185	32E	P				24	6	34.7	10	2	200
WEST CORBIN "13" FEDERAL	1	P	13	185	32E	P				24	20	34.7	18	10	556

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature

Dorothea Logan

DOROTHEA LOGAN, REGULATORY ANALYST

Printed name and title

MARCH 2, 1999 (915) 684-7441

Date

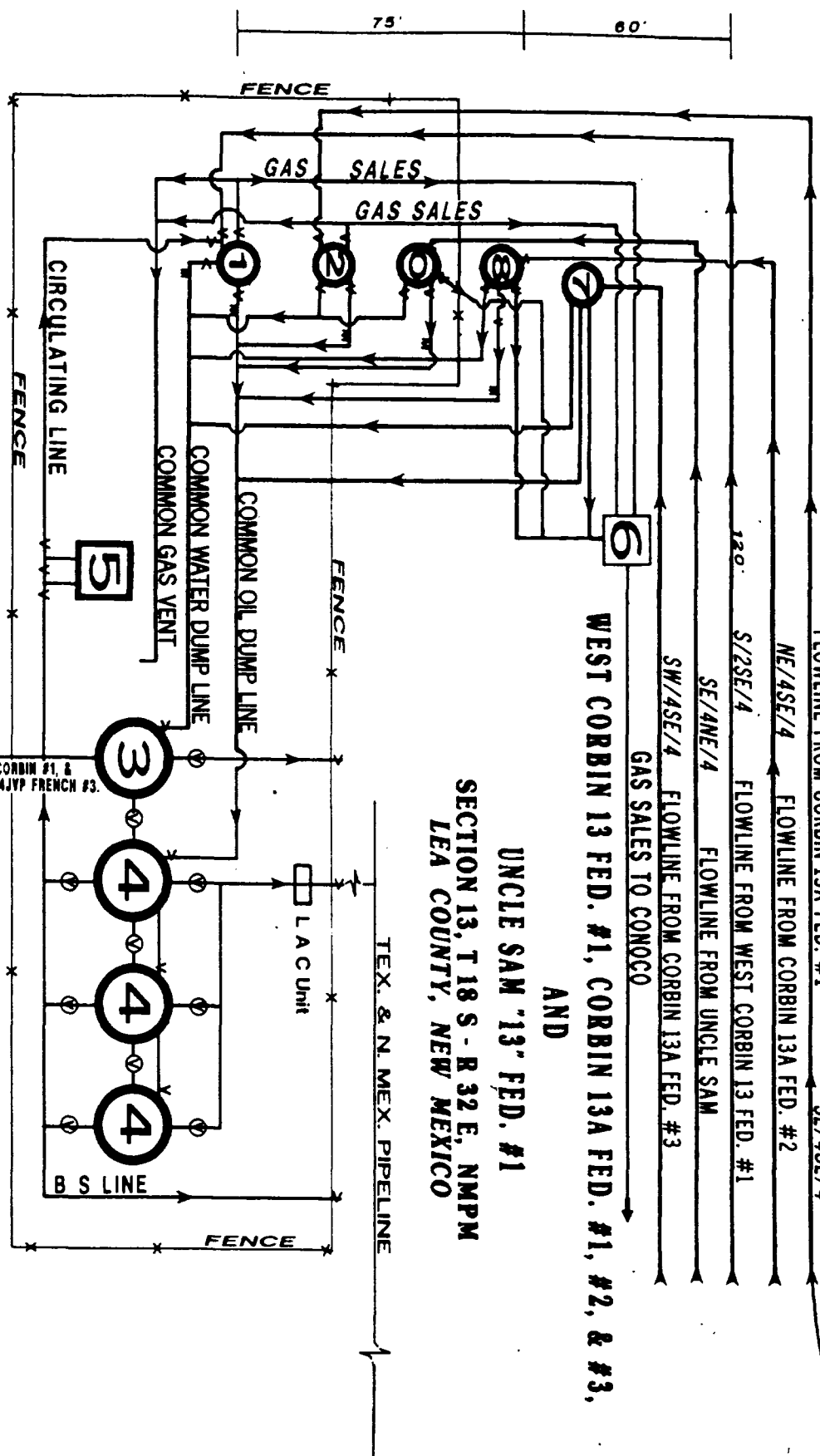
Telephone No.

TANK BATTERY

WELLHEAD

FLOWLINE FROM CORBIN 13A FED. #1 SE/4SE/4
 NE/4SE/4 FLOWLINE FROM CORBIN 13A FED. #2
 S/2SE/4 FLOWLINE FROM WEST CORBIN 13 FED. #1
 SE/4NE/4 FLOWLINE FROM UNCLE SAM
 SW/4SE/4 FLOWLINE FROM CORBIN 13A FED. #3
 GAS SALES TO CONOCO
 WEST CORBIN 13 FED. #1, CORBIN 13A FED. #1, #2, & #3,
 AND

UNCLE SAM "13" FED. #1
 SECTION 13, T 18 S - R 32 E, NMPM
 LEA COUNTY, NEW MEXICO



- 0 4" X 20' 50# HEATER TREATER FOR UNCLE SAM WITH OIL & WATER METERS
- 1 4" X 20' 50# HEATER TREATER FOR WEST CORBIN 13 FED. #1
- 2 4" X 20' 50# HEATER TREATER FOR CORBIN 13 A FED. #1 WITH OIL & WATER METERS
- 3 15'6" X 10' 500 BBL'S FIBERGLASS WATER TANK
- 4 15'6" X 10' 500 BBL'S STEEL STOCK TANK
- 5 CIRCULATING PUMP (GASOLINE POWERED)
- 6 GAS SALES METER

- 7 4" X 20' HEATER TREATER FOR CORBIN 13A FED. #3
- 8 4" X 20' 50# HEATER TREATER FOR CORBIN 13A FED. #2 WITH OIL & WATER METERS
- V VALVE
- ⊗ LOCKED VALVE
- M METER

08/99



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

FOURTH AMENDMENT - COMMINGLING ORDER PLC-102

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702-0832

Attention: Ms. Dorothea Logan

The above named company is hereby authorized to commingle West Corbin Delaware (13195) and South Corbin Wolfcamp (13320) Pool production from the following leases:

Lease: Corbin '13' A Federal Lease
Description: NE/4 SE/4, and,

Lease: West Corbin '13' Federal Lease
Description: S/2 SE/4, and,

Lease: Uncle Sam '13' Federal Lease
Description: SE/4 NE/4,

all in Section 13, Township 18 South, Range 32 East, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

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.

FURTHER: The operator shall notify the Artesia district office upon implementation of the commingling process.

REMARKS: The commingled production from the aforementioned leases shall be stored in the tank battery facility located in Unit Letter 'P' of Section 13, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

