



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PC-978

Premier Oil and Gas, Inc.
P.O. Box 1246
Artesia, New Mexico 88210
Attention: Ms. Rosalie Jones

WELL NAME: Gissler "A" Lease (Federal Lease No.NMLC056616B),
Well Nos. 1 and 4
DESCRIPTION: Section 23, Township 17 South, Range 30 East, NMPM,
Eddy County, New Mexico.

The above-named company is hereby authorized to commingle Loco Hills Paddock (96718) and Grayburg Jackson (28509) Pool production in a common tank battery and to determine the production from each well by well tests. This method is authorized only so long as all production is of marginal nature. Further, all commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest. Gas production shall be separated and sold separately.

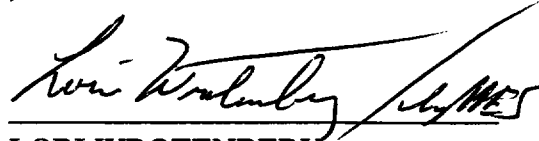
FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

REMARKS: 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.

NOTE: Commingled production shall be stored in the Gissler "A" tank battery facility located in Section 23, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

NOTE: Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 23rd day of July, 1998.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Artesia
Bureau of Land Management - Roswell