



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

COMMINGLING ORDER PLC - 108

Merit Energy Company
12222 Merit Drive, Suite 1500
Dallas, Texas 75721

Attention: Terry D. Gottberg

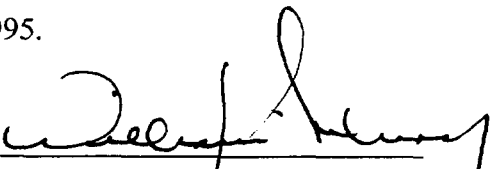
The above-named company is hereby authorized to commingle Tapacito Pictured Cliffs, Blanco Mesaverde, Wild Horse Gallup and Basin Dakota Pool production from the following 14 wells shown on Exhibit "A" attached hereto. The subject acreage shall include the SW/4 of Section 13, SE/4 of Section 14, NE/4 of Section 23 and all of Section 24 in the Jicarilla "A" Lease and the NW/4 of Section 25 in the Jicarilla "B" Lease, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Production shall be allocated to each lease by separately metering individual well production by allocation meters and multiplying said volumes by an allocation factor. The allocation factor shall be determined by dividing the central sales meter volume by the sum of the individual allocation meter volumes.

FURTHER: The operator shall notify the Aztec 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 309-B 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.

DONE at Santa Fe, New Mexico, on this 7th day of March, 1995.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Aztec
NM State Land Office - Oil & Gas Division
US Bureau of Land Management - Farmington