



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER CTB-521

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

Attention: Mr. M. Y. (Merch) Merchant

The above named company is hereby authorized to commingle Mescalero-San Andres Pool (Oil – 45990) production from the State “BN” Wells No. 1, 2, 3 and 4 and the Harrington State Well No. 1 located on the following leases:

Lease: Harrington State Lease (Lease No. V-4590)
Description: NE/4 NE/4 of Section 15, Township 10 South, Range 32 East, NMPM;

Lease: State “BN” Lease (Lease No. OG-361)
Description: SW/4 of Section 14, Township 10 South, Range 32 East, NMPM;

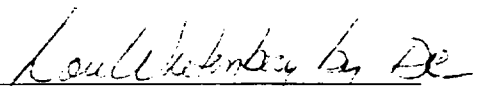
All in Lea County, New Mexico

Production shall be allocated by monthly well tests. Oil production shall then be commingled and stored at a tank battery located on the State “BN” Lease in the SW/4 of Section 14, Township 10 South, Range 32 East, NMPM.

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.

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

DONE at Santa Fe, New Mexico, on this 17th day of December, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division – Hobbs
State Land Office-Oil & Gas Division