

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-792

BTA Oil Production
104 South Pecos
Midland, Texas 79701

Attention: Dorothy Houghton

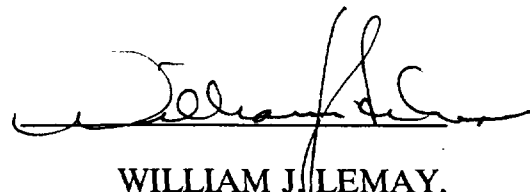
LEASE NAME: 8705 JV-P Gem Lease
DESCRIPTION: NW/4 NE/4, NE/4 NW/4, S/2, Section 2, T-20 South, R-33 East,
NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle Teas Bone Spring and East Gem Morrow Pool production in a common tank battery and in a common gas sales line and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

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.

REMARKS: The gas production from the East Gem Morrow Gas Pool shall be separately metered prior to commingling and the gas production from the Teas Bone Spring Pool shall be determined by subtracting the East Gem Morrow Pool production from the total metered sales volume.

DONE at Santa Fe, New Mexico, on this 21st day of January 1992.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
State Land Office - Santa Fe