



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director

Oil Conservation Division
COMMINGLING ORDER CTB-541

Mar Oil & Gas Corporation
PO Box 5155
Santa Fe, New Mexico 87502

Attention: Duane C. Winkler

The above named company is hereby authorized to surface commingle West Sawyer-San Andres (Oil 55490) Pool oil and gas production from the following Federal leases in Township 9 South, Range 37 East, NMPM, Lea County, New Mexico.

Lease: USM Lease (Wells 1, 3, and 4) (Lease No. NMLC-067775)
Description: N/2 NE/4 and SW/4 NE/4 (Units A, B, and G) of Section 27

Lease: TP Lease (Wells 1 and 2) (Lease No. NM-2390)
Description: E/2 NW/4 (Units C and F) of Section 27

Lease: Federal 27 Well No. 1 (Lease No. NM-2390 CA 71222)
Description: NW/4 NW/4 (Unit D) of Section 27

Lease: Federal 27 Well No. 2 (Lease No. NMNM-03841777, CA 71222)
Description: SW/4 NW/4 (Unit E) of Section 27

Lease: Federal 22 Well No. 2 (Lease No. NM-050475-A, CA SW-587)
Description: SW/4 SW/4 (Unit M) of Section 22

Oil and gas production from each of these diversely owned leases shall be continuously and separately metered prior to commingling for sales. Well tests may be used for allocating production between wells within each commonly owned lease.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

DONE at Santa Fe, New Mexico, on this 28th day of April 2004.



JOANNA PRUKOP,
Cabinet Secretary
Acting Division Director

JP/wvjj

cc: Oil Conservation Division – Hobbs
Bureau of Land Management-Carlsbad