



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Order CTB-598

February 13, 2009

Fasken Oil and Ranch, Ltd
303 W. Wall Street, Suite 1800
Midland, Texas 79701

Attention: Kim Tyson:

Fasken Oil and Ranch, Ltd is hereby authorized to surface commingle oil production from the Apache Ridge; Bone Spring Oil Pool (2260) from the following leases.

Lease: **Ling Federal Lease No. NM-14496**
Well: Ling Federal Well No.3 (API No. 30-025-38608) Unit B, Section 31
660 feet FNL, 1980 feet FEL

Lease: **Ling Federal Lease No. NM-14496**
Well: Ling Federal Well No. 5 (API No. 30-025-39121) Unit D, Section 31
990 feet FNL, 660 feet FWL

Lease: **Ling Federal Lease No. NM-14496**
Well: Ling Federal Well No. 6 (API No. 30-025-39122) Unit E, Section 31
2130 feet FNL, 660 feet FWL

All in Township 19 South, Range 34 East, NMPM, Lea County, New Mexico

Commingled oil production from the wells detailed above shall be measured and sold at the Ling Federal Well No. 3 Central Tank Battery (CTB), located in Unit B of Section 31, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

Oil production from all the wells shall be measured continuously with calibrated allocation meters installed in the wells prior to commingling with oil from other wells. Any gas production from the wells shall **NOT** be commingled.



February 13, 2009

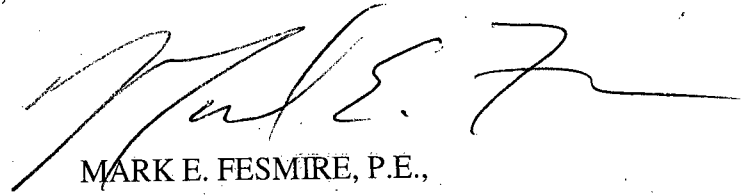
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The allocation meters shall be calibrated semi-annually. Since all the three wells have allocation meters, the production assigned to each well shall be the integrated volume from the allocation meters adjusted to match the Central Tank Battery meter.

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.

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 February 13, 2009.

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

MARK E. FESMIRE, P.E.,
Division Director

MEF/re

cc: Oil Conservation Division + Hobbs
Bureau of Land Management (BLM) - Roswell