

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

COMMINGLING ORDER CTB-458

Mack Energy Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960

Attention: Mr. Matt J. Brewer

The above named company is hereby authorized to commingle Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres (28509) Pool production from the following leases:

Lease: Federal 'X' Well Nos.1, 3, 4, 5 and 7 (Federal Lease No.NM-LC-029342)
Description: S/2 SW/4 of Section 21, and,

Lease: Federal 'S' Well Nos.1, 2, 3, 4 and 6 (Federal Lease No.NM-LC-028936)
Description: NE/4 NW/4, S/2 NW/4, N/2 SW/4 and SW/4 SW/4 of Section 28,

both located in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

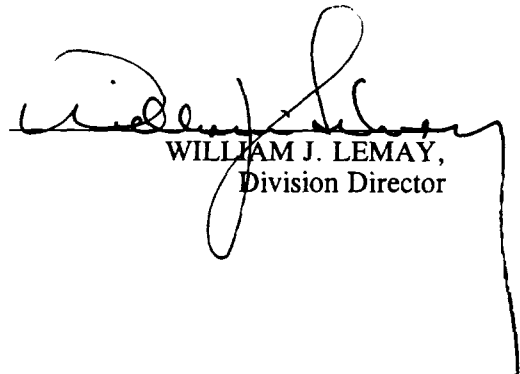
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

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 commingled production shall be stored in the Federal 'X' and 'S' tank battery facility located in Unit Letter 'C' of Section 28, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 29th day of September, 1997.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad