



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-495

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

Attention: Ms. Brandy Rice

The above named company is hereby authorized to commingle Southeast Lane-Abo (Oil - 36676) Pool production from the following leases:

Lease: Penroc "9" State Well No. 1 (State Lease No. VA1332)
Description: NE/4 SE/4 of Section 9, Township 10 South, Range 34 East, NMPM; and

Lease: Penroc "10" State Well No. 1 (State Lease No. VA1334)
Description: SW/4 SW/4 of Section 10, Township 10 South, Range 34 East, NMPM

all located in Lea County, New Mexico.

Production shall be allocated to each lease by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

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.

REMARKS: The commingled production shall be stored and measured at the Penroc "10" State Well No. 1 tank battery facility located in the SW/4 SW/4 of Section 10, Township 10 South, Range 34 East, NMPM, Lea County, New Mexico.

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

PROVIDING: Validation of this authority shall be accomplished by like approval from the New Mexico State Land Office.

DONE at Santa Fe, New Mexico, on this 2nd day of February, 2000.

LORI WROTENBERY,
Division Director

LW/MWA/kv

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