



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PC-972

Collins & Ware, Inc.
508 West Wall Street, Suite 1200
Midland, Texas 79701-5076

Attention: Mr. Brent L. Lowery

LEASE NAME: M & M Well No.1
DESCRIPTION: SW/4 NW/4 of Section 24, Township 20 South, Range 38 East,
NMPM, Lea County, New Mexico.

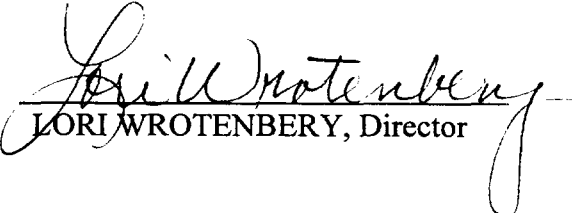
The above-named company is hereby authorized to commingle Blinebry Oil & Gas (Prorated Gas - 72480) and East Warren Tubb (87085) Pool oil production in a common tank battery and to determine the production from each pool by separately metering the production from the Blinebry Oil & Gas Pool and determining the East Warren Tubb Pool production by the subtraction method. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest and overriding interest.

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.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

REMARKS: Commingled production shall be stored in the M & M tank battery facility located in Section 24, Township 20 South, Range 38 East, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 11th day of May, 1998.


LORI WROTENBERY, Director

LW/BES/kv

cc: Oil Conservation Division – Hobbs