



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

COMMINGLING ORDER CTB-501

Premier Oil and Gas, Inc.
P.O. Box 1246
Artesia, New Mexico 88210

Attention: Ms. Rosalie Jones

The above named company is hereby authorized to commingle Loco Hills-Paddock (Oil – 96718) Pool production from the following leases:

Lease: Dale H. Parke "C" Federal Lease (Federal Lease No. LC-029020-C)
Description: SE/4 SE/4 of Section 15 and the NW/4 NW/4 of Section 23, Township 17 South, Range 30 East, NMPM; and

Lease: Dale H. Parke "A" Tract 1 Federal Lease
(Federal Lease No. NM-0467930)
Description: SW/4 SE/4 of Section 15 and the N/2 NE/4, NW/4, and NW/4 SW/4 of Section 22, Township 17 South, Range 30 East, NMPM

all located in Eddy County, New Mexico.

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

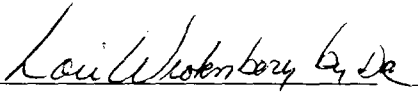
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored and measured at the Parke "A" tank battery facility located in the NE/4 NW/4 of Section 15, 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.

Administrative Commingling Order CTB-501
Premier Oil and Gas, Inc.
September 11, 2000
Page 2

DONE at Santa Fe, New Mexico, on this 11th day of September, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Roswell