



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PLC-194

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

Attention: Mr. Dean Chumbley

The above named company is hereby authorized to commingle Loco Hills-Paddock (Oil – 96718) and Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) (Oil – 28509) Pool production from the following leases:

Lease/Well: Dale H. Parke "D" Lease (Lease No. LC-029020-D)
Description: NE/4 SE/4 of Section 15, Township 17 South, Range 30 East, NMPM;

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

All in Eddy County, New Mexico.

Oil and gas production shall be allocated in the following manner:

Due to diverse ownership between the pools and/or leases, the Loco Hills-Paddock Pool production from the Dale H. Parke "D" Lease, the Loco Hills-Paddock Pool production from the Dale H. Parke "C" Lease, and the Grayburg-Jackson Pool production from the Dale H. Parke "D" Lease shall be separately measured prior to commingling. Oil and gas production shall then be commingled and stored at the Dale H. Parke "C" Tank Battery located in the SE/4 SE/4 of Section 15. This production would then be transported, via LACT Unit, to the Dale H. Parke "A" Tank Battery, where it will be sold.

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: This order supersedes Division Order No. CTB-517, which order authorized the commingling of Loco Hills-Paddock Pool production on the Dale H. Parke "C" and "D" Leases.

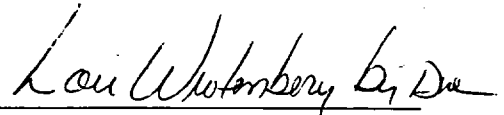
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Premier Oil & Gas, Inc.

February 4, 2002

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FURTHER: The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", is written over a horizontal line.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division – Artesia
File-CTB-517
Bureau of Land Management-Carlsbad