

XICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PC- 597
OLS-126

Company Bass Enterprises Production Co.
Address P. O. Box 2760
City, State, zip Midland, Texas 79702

Attention: Mr. J. E. Pullig

Lease Name: Palmillo State
Description: Unit H, Sec. 1, T-19-S, R-28-E

The above-named company is hereby authorized to commingle production from the following pools

Undesignated Wolfcamp and
North Turkey Track-Morrow

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

X _____ separately metering the production from the Morrow

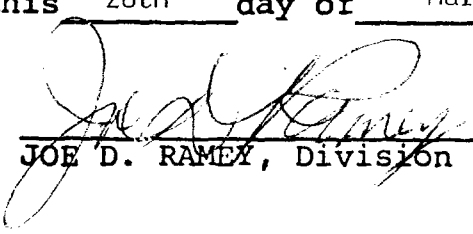
and determining the Wolfcamp
production by the subtraction method

_____ well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Division in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate)

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: After commingling liquid production from the Palmillo State Well No. 1 will be transported to the Bass Merchant State Lease where it will be handled in a separate off-lease storage facility prior to sale.

DONE at Santa Fe, New Mexico, on this 26th day of March, 19 81.


JOE D. RAMEY, Division Director