

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



July 15, 1991

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-786

Kern Company
3005 N. Big Spring
Midland, TX 79705

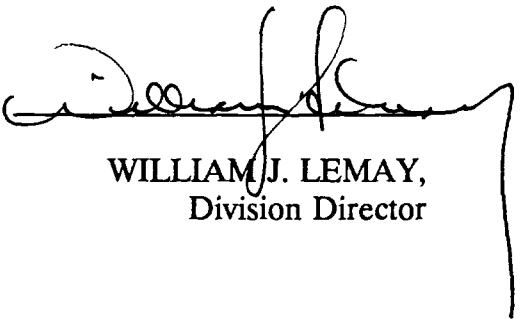
Attention: Michael L. Wilberg

LEASE NAME: M.L. Goins Lease
DESCRIPTION: S/2 NE/4, N/2 SE/4, Section 7, T-21 South, R-37 East, NMPM,
Lea County, New Mexico

The above-named company is hereby authorized to commingle Eumont Yates Seven Rivers Queen and Penrose Skelly Grayburg Pool production in a common tank battery and to determine the production from each pool by: 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 in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order to 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.

DONE at Santa Fe, New Mexico, on this 11th day of July, 1991.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs