

STEVENS OPERATING CORPORATION

FIRST NATIONAL TOWER - SUITE 1250

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

505 622-7273

February 17, 1986

Mr. Richard L. Stamets
State of New Mexico
Energy & Mineral Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Commingle Order
PLC - 73

Dear Sir:

Stevens Operating Corporation is hereby applying for administrative approval to amend the above commingle order to include the following lease:

O'Brien "C" No. 1
Unit M, Section 1, T-7-S, R-28-E
Twin Lakes Devonian

The commingle facility and LACT will be located in the SW/4SE/4 of Section 21, Township 8 South, Range 29 East. The fluid from each well will go through a free water knock out and then through two-way separators. This will separate the water, oil, and gas from each lease. The oil, gas, and water from each lease will then be measured through provable meters with non-resettable counters.

The oil will be measured through a net oil computer with a 0-100% BS & W range probe assembly. This will give an accurate measurement of oil being produced from each lease. The oil will then be commingled and sent through another meter for total fluid and then go through a settling tank and into a 500 barrel storage tank to be sold through a LACT.

After measurement, the gas from each lease will then be commingled and sent through a check meter for total gas produced. It will then be sent to the sales point.

The water produced, after measurement from each lease, will be commingled and sent through a settling tank and storage tank for disposal. The produced water will be measured for total water produced and pumped to the White Lake Ranch produced water disposal.

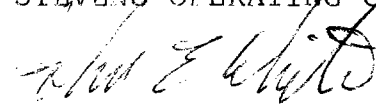
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A map and schematic diagram of the proposed installation is enclosed for your information.

If you have any further questions or need additional information, please do not hesitate to contact me.

Yours very truly,

STEVENS OPERATING CORPORATION

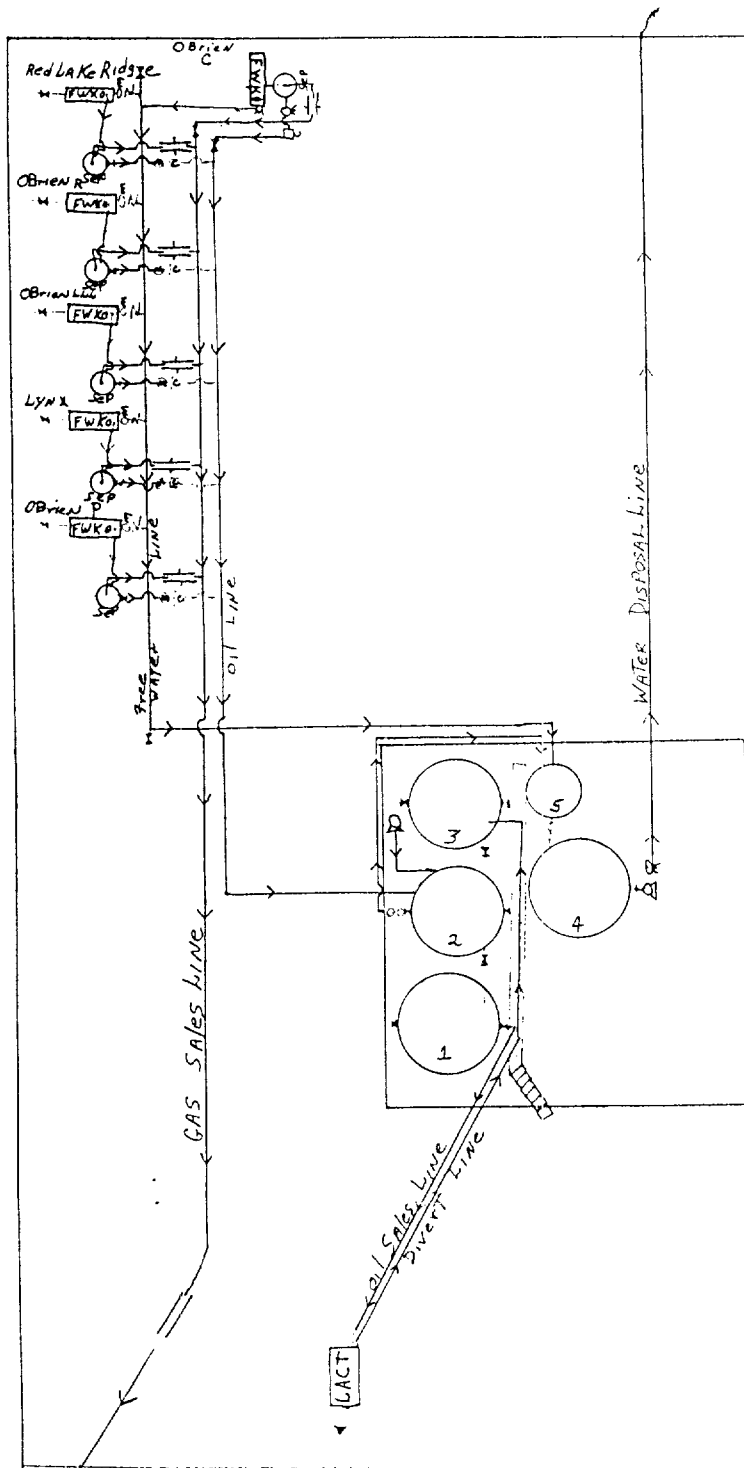
A handwritten signature in cursive script, appearing to read "John E. White", written in dark ink.

John E. White

JEW/clw

Enclosures

STEVENS OPERATING CORP.
L.A.C.T. COMMINGLE STATION
O'BRIEN P, LLL, R,
RED LAKE RIDGE, LYNX
UNIT 0, SEC. 21, T 8S, R 29E



LEGEND

1. Oil Sales Tank - 500 Bbl.
2. Oil Settling Tank - 300 Bbl.
3. Bad Oil Tank - 300 Bbl.
4. Produced Water Tank - 500 Bbl.
5. Water Settling Tank - 260 Bbl.

SCALE 1 1/2" = 25'

