



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

Meridian Oil, Inc.
P.O. Box 51810
Midland, Texas 79710-1810

COMMINGLING ORDER PLC-86

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

Attention: Connie L. Malik

The above-named company is hereby authorized to commingle North Young Wolfcamp, North Young San Andres and North Young Delaware Pool production from the following leases:

LEASE NAME: Mitchell "16" State Lease
DESCRIPTION: NE/4 NE/4, S/2 NE/4 Section 16, T-18 South, R-32 East, NMPM

LEASE NAME: Young "16" State Lease
DESCRIPTION: NW/4 NE/4 Section 16, T-18 South, R-32 East, NMPM

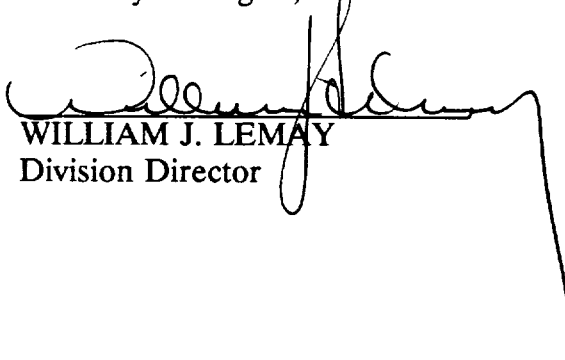
Both in Lea County, New Mexico

Production shall be allocated to each lease by separately metering the production from the North Young Delaware Pool (Young "16" State Lease) and determining the North Young Wolfcamp & North Young San Andres Pool (Mitchell "16" State Lease) production by the subtraction method.

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 Order No PC-780 which order authorized commingling of North Young Wolfcamp and North Young San Andres Pool production on the Mitchell "16" State Lease.

DONE at Santa Fe, New Mexico, on this 30th day of August, 1991.


WILLIAM J. LEMAY
Division Director

cc: Oil Conservation Division - Hobbs