

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR



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

*COMMINGLING ORDER PLC-89*

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

Attention: Maria L. Perez

The above-named company is hereby authorized to commingle West Corbin - Delaware, South Corbin - Wolfcamp and South Corbin Bone Spring Pool production from the following leases:

LEASE NAME: State "16" Lease (LG-4087)  
DESCRIPTION: S/2 Section 16, Township 18 South, Range 33 East, NMPM;

LEASE NAME: Percha "15" State Lease (VB-161)  
DESCRIPTION: S/2 SW/4, NE/4 SW/4, Section 15, Township 18 South, Range 33 East, NMPM

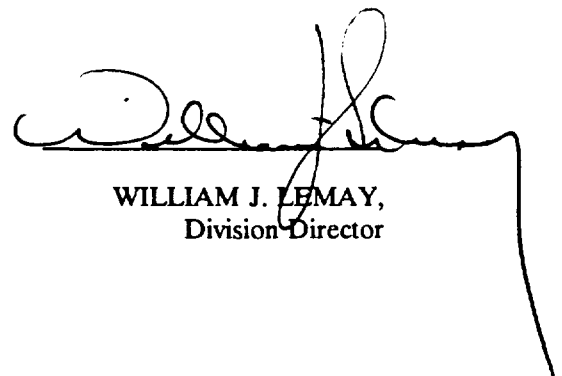
Lea County, New Mexico

Production shall be allocated to each lease by well tests; (If this method or the subtraction method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

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: Production shall be stored in a common tank battery located in Unit J of said Section 16. This order supersedes Division Order No. PC-757.

DONE at Santa Fe, New Mexico, on this 14th day of April, 1992.

  
WILLIAM J. LEMAY,  
Division Director

cc: Oil Conservation Division - Hobbs  
State Land Office - Oil & Gas Division  
File: PC-757