



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



BRUCE KING
GOVERNOR

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CABINET SECRETARY

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

COMMINGLING ORDER PLC-106

Meridian Oil, Inc.
P.o. Box 51810
Midland, TX 79710-1810

Attention: Donna J. Williams

The above-named company is hereby authorized to commingle Red Tank-Bone Spring and West Red Tank-Delaware Pool production from the following leases:

LEASE NAME: Checkerboard "23" Federal Lease
DESCRIPTION: W/2, NE/4, W/2 SE/4 of Section 23; and

LEASE NAME: Red Tank Federal Lease
DESCRIPTION: SW/4, W/2 SE/4 of Section 14,

both in Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease as follows:

Prior to commingling at a common tank battery located on the Checkerboard "23" Federal Lease in Unit O of Section 23, oil production from the Red Tank Federal Lease and the Checkerboard "23" Federal Lease shall be separately measured. Gas production from each of the respective leases shall be sold at its own point of disposition and no commingling shall occur.

West Red Tank-Delaware and Red Tank-Bone Spring Pool production from the Checkerboard "23" Federal Lease shall be allocated on the basis of 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.)

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Commingling Order PLC-106

Meridian Oil, Inc.

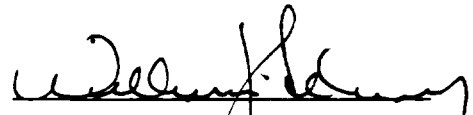
May 18, 1994

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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-849.

DONE at Santa Fe, New Mexico, on this 18th day of May, 1994.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad