



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PC-958

Collins & Ware, Inc.
508 West Wall Street, Suite 1200
Midland, Texas 79701-5076

Attention: Mr. Brent L. Lowery

LEASE NAME: Payday Well No.1
DESCRIPTION: NW/4 SW/4 of Section 24, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico

The above-named company is hereby authorized to commingle Blinebry Oil & Gas (6660) and East Warren Tubb (87085) Pool production in a common tank battery and to determine the production from each pool by metering production from the Blinebry Oil & Gas Pool and determining the East Warren Tubb Pool production by the subtraction method. This method is authorized only so long as all commingled production is of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event this well becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

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

REMARKS: 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.

NOTE: Commingled production shall be stored in the tank battery facility on location.

DONE at Santa Fe, New Mexico, on this 24th day of February, 1998.

Lori Wrotenbery
LORI WROTENBERY,
Division Director

LW/BES/kv

cc: Oil Conservation Division - Hobbs /