



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED COMMINGLING ORDER CTB-358

Layton Enterprises, Inc.
3103 79th Street
Lubbock, Texas 79423

Attention: Mr. Donald R. Layton

The above named company is hereby authorized to commingle North Bagley Permo Upper Penn (3820) Pool production from the following leases:

Lease: State 'AO' Lease
Description: NW/4, and,

Lease: State 'B' Lease
Description: W/2 SE/4, and,

Lease: State 'C' Lease
Description: NE/4,

all in Section 4 of Township 12 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.)

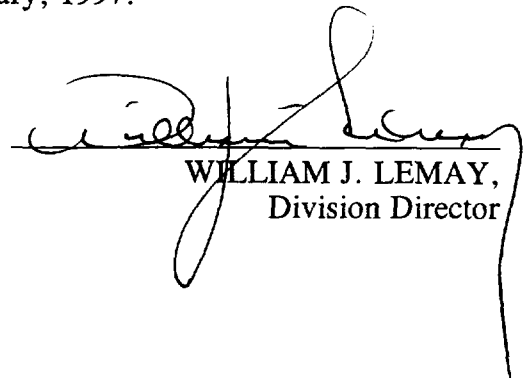
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

NOTE: The commingled production shall be stored in the State 'AO' tank battery facility located in Unit Letter C, of Section 4, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 9th day of January, 1997.

WJL/BES
cc: Oil Conservation Division - Hobbs


WILLIAM J. LEMAY,
Division Director