

OIL CONSERVATION DIVISION

COMMINGLING ORDER CTB-417

Sonat Exploration Company  
110 West Louisiana, Suite 500  
Midland, Texas 79701

Attention: Mr. K. Glenn Carter

The above named company is hereby authorized to commingle South Sand Dunes Delaware Pool production from the following leases:

Lease: Lotos Federal (Federal Lease No.29234)  
Description: W/2 of Section 8 excepting SW/4 /SW/4, S/2 of Section 9,  
W/2 of Section 10, SE/4, NW/4, NW/4 NE/4 of Section 11

Lease: Lotos "C" Federal (Federal Lease No.63757)  
Description: N/2 of Section 9,

both located in Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

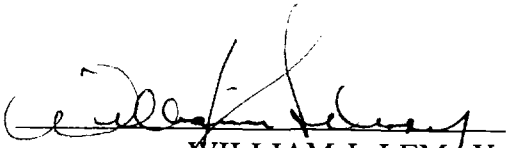
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

REMARKS: The commingled production shall be stored in the Lotos Federal tank battery facility located in Unit Letter "J" of Section 9, Township 24 South, Range 31 East, Eddy County, New Mexico.

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.

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

DONE at Santa Fe, New Mexico, on this 28th day of November, 1995.

  
WILLIAM J. LEMAY,  
Division Director

*Sonat Exploration Company*  
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*November 28, 1995*  
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WJL/BES

cc: Oil Conservation Division - Artesia  
Bureau of Land Management - Carlsbad