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

COMMINGLING ORDER CTB-465

Rand Paulson Oil Company 4950 North O'Connor Blvd., Suite 270 Irving, Texas 75062

Attention: Mr. David Brooks

The above named company is hereby authorized to commingle High Plains Permo Penn (31055) Pool production from the following leases:

Lease:

Estacado '27' Well No.1 (State Lease No.VA-1127)

Description:

NE/4 SW/4, and,

Lease:

Estacado '27' Well No.3 (State Lease No.VA-998)

Description:

SE/4 NW/4.

both in Section 27, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

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

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.

REMARKS: The commingled production shall be stored in the Estacado '27' tank battery facility located in Unit Letter 'K' of Section 27, Township 14 South, Range 34 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 16th day of March, 1998.

LORI WROTENBERY

Division Director

LW/BES/kv

cc:

Oil Conservation Division - Hobbs State Land Office - Oil & Gas Division