



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-756

BTA Oil Producers
104 South Pecos
Midland, TX 79701

Attention: Dorothy Houghton

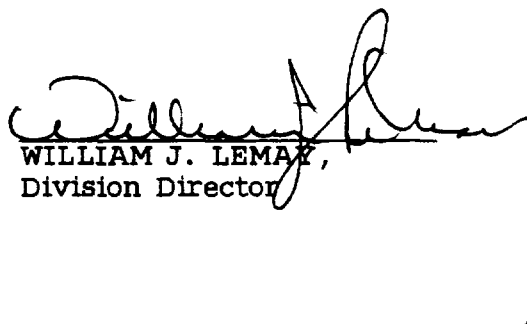
LEASE NAME: 8705 JV-P Gem State Lease (V-2199)
DESCRIPTION: N/2 Section 2, Township 20 South, Range 33 East, NMPM, Lea
County, New Mexico.

The above-named company is hereby authorized to commingle East Gem Morrow and Teas-Bone Spring liquid Pool production in a common tank battery and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

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." If is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The gas produced from Well Nos. 1 and 2, Teas-Bone Spring Pool and East Gem Morrow Pool, respectively, is to be separated and metered individually at each respective well.

DONE at Santa Fe, New Mexico, on this 30th day of January, 1988.


WILLIAM J. LEMAY,
Division Director