



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-779

American Exploration Company
700 Louisiana, Suite 2100
Houston, TX 77002-2793

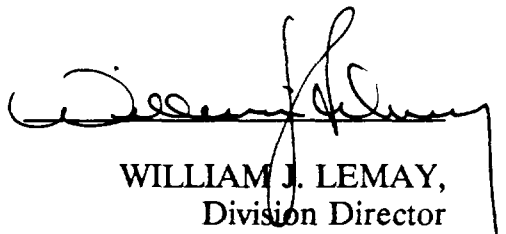
Attention: Marty B. McClanahan

LEASE NAME: Howard Fleet Lease
DESCRIPTION: E/2 SE/4, Section 35, T-13 South, R-37 East, NMPM, Lea County,
New Mexico.

The above-named company is hereby authorized to commingle King-Penn and King-Devonian Pool production in a common tank battery and to determine the production from each pool by separately metering the production from the King-Penn Pool and determining the King-Devonian Pool production by the subtraction method.

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.

DONE at Santa Fe, New Mexico, on this 27th day of September, 1990.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs